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JOURNAL

NOVEMBER
1953



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Kitchen by R. A. Nelson & Co.
Roselle Park, N. J.



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*As fundamental as
hidden pipes...*



*A well-built house
is always better
when it includes
raceways for
telephone wires*

*Built-in telephone raceways are two
concessions to people's ideas about how rooms should look. More and more
clients want their telephone wires kept behind the scenes.*

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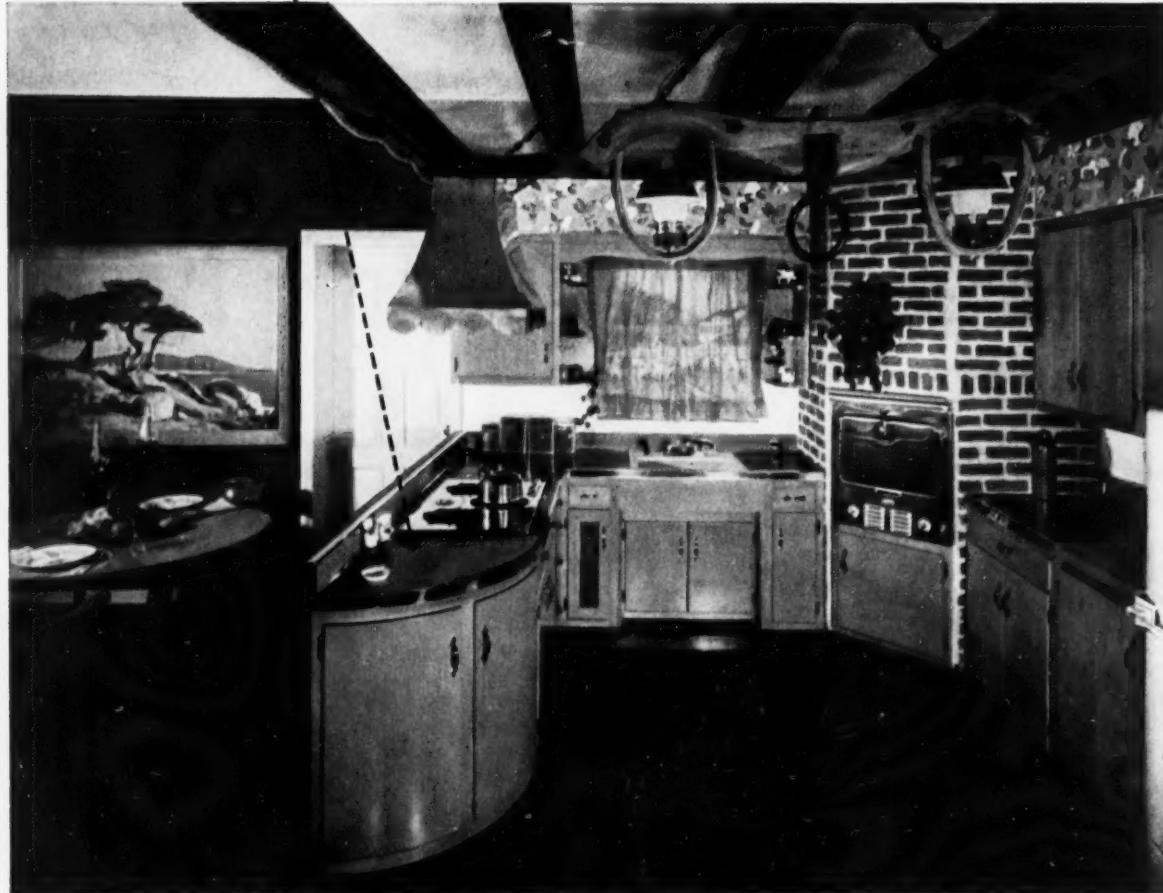
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Kitchen by R. A. Nelson & Co.
Roselle Park, N. J.





*As fundamental as
hidden pipes...*



*A well-built house
is always better
when it includes
raceways for
telephone wires*

Covered-up pipes and built-in telephone raceways are two concessions to people's ideas about how rooms should look. More and more clients want their telephone wires kept behind the scenes.

You can protect the beauty of carefully finished interiors by making telephone outlets and raceways standard parts of the homes you build. Doing it during construction saves misunderstanding and expense later on. And it adds an important selling point—built-in telephone facilities.

Your Bell Telephone Company will be glad to help you in planning economical raceway installations. Just call your nearest Business Office.

BELL TELEPHONE SYSTEM





NATIONAL REAL ESTATE and BUILDING JOURNAL

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THE JOURNAL REPORTS



Housing Starts Taper in September

Housing starts took a slight drop in September, but not enough to lower the expected yearly total below the million mark. September starts were estimated at 92,000 — 2,000 fewer than the 94,000 in August. The August figure is below the total for the same month last year by 5,100 starts.

This downward trend started in May, the first April-May downturn in starts in several years. Probably two reasons are behind this: 1) basic changes in the housing market, and 2) tightness of the current FHA-VA mortgage market.

Housing demand has lessened and some experts say it is not probable that a great new demand would be stimulated by easier financing terms. We have been building new units at better than a million a year clip for the past five years, while new families have been formed at a much lower rate. Family for-

mation peaked at about 1.5 million a year in 1947 to 1949 but has since tapered to something less than 700,000. Expected rate for the next few years is about 690,000.

High incomes are helping to stimulate the higher-priced housing market but at the same time there has been a drop in the number of doubled-up families and a decline in the marriage rate due to the low number of births in the depression 30s.

All these factors have brought about basic changes in the housing market and point to difficult selling days ahead.

Is Financing Easing Up?

Whether it's a new wave of optimism or just a matter of once again becoming used to the law of supply and demand, many experts foresee a "loosening" trend in the supply of money. For example, T.

(Please turn to page 8)

BRICK or CLAPBOARD ...

you'll find electric ranges in the kitchen!

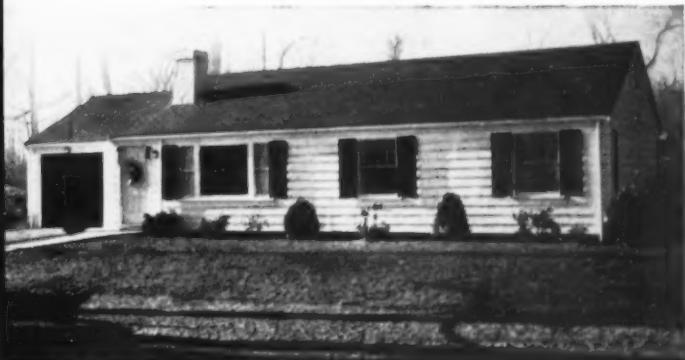


"When I build a house," says builder Ralph D. Talbott of Baltimore, Md., "I make sure to install the kind of equipment my prospective purchasers will want. I've found out what they want, and the way my houses sell proves that I'm right. The equipment might vary a bit from house to house—but there's one thing goes into every house I build. That's a modern, automatic Electric Range. When a woman sees that range, she sort of takes it for granted that everything else is up-to-the-minute."



The beautiful, practical kitchen of this dream home is designed for modern living. It's all-electric, has ample work surfaces. The modern appliances include an automatic range, and—of course, it's ELECTRIC!

Some home buyers like one type of exterior construction, some like another . . . but in the kitchen, a large percentage of them prefer one type of range—and that's the *Electric Range*. Alert builders have recognized this fact, so a constantly increasing percentage of them install *Electric Ranges* as standard equipment. They use its features to help them sell, because this range is both economical and easy to use, and assures a clean, cool kitchen. No matter what type of homes you build, the modern *Electric Range* can help you sell them better, too!



"When anyone asks me why Oak Hill Village homes sell so readily, the answer is simple," says builder Arnold Hartmann of Newton Centre, Mass. "The reason is that these homes offer utmost value to the prospective purchaser. All-electric equipment—including modern Electric Ranges—combined with good design and construction—make them a good buy—and they sell."

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Journal Reports

(Continued from page 4)

B. King of VA shares this viewpoint because of the sustained volume of VA loan applications in September. The number of loan applications showed a sharp increase in August, reaching a total of 31,257 then jumped 9% higher to 34,084 in September. The August figure was the highest since April 1951, and the figures for both months are considerably higher than the 25,636 average monthly rate sustained during the first seven months of this year.

But, all that glitters may not be gold. The total of VA appraisal requests for proposed units showed a sharp decrease in September, dropping from a total of 22,118 in August to 17,768 in September — a 20% decrease. However, this drop may be caused by variations in the number of large projects being started during September. And it also points up the increased difficulty of large project builders in obtaining advance financing commitments.

Other straws in the wind which indicate easing of the money supply are increased government borrowing and further delay in balancing the federal budget. And during the Summer and Fall, the demand for bank loans from business didn't reach the expected volume.

Norman Strunk, executive vice president of the United States Savings and Loan League, says the administration is trying to chart a "middle-of-the-road" course between too much home mortgage credit and too little. Federal officials are trying to assure enough home credit to keep home building at a million a year pace. But on the other hand, Strunk says, "my impression is that they are trying just as hard to prevent super-abundance of mortgage credit which

STATEMENT REQUIRED BY THE ACT OF AUGUST 24, 1912, AS AMENDED BY THE ACTS OF MARCH 3, 1933, AND JULY 2, 1946 (Title 39, United States Code, Section 233) SHOWING OWNERSHIP, MANAGEMENT, AND CIRCULATION OF NATIONAL REAL ESTATE AND BUILDING JOURNAL published monthly at Cedar Rapids, Iowa, for October 1, 1953.

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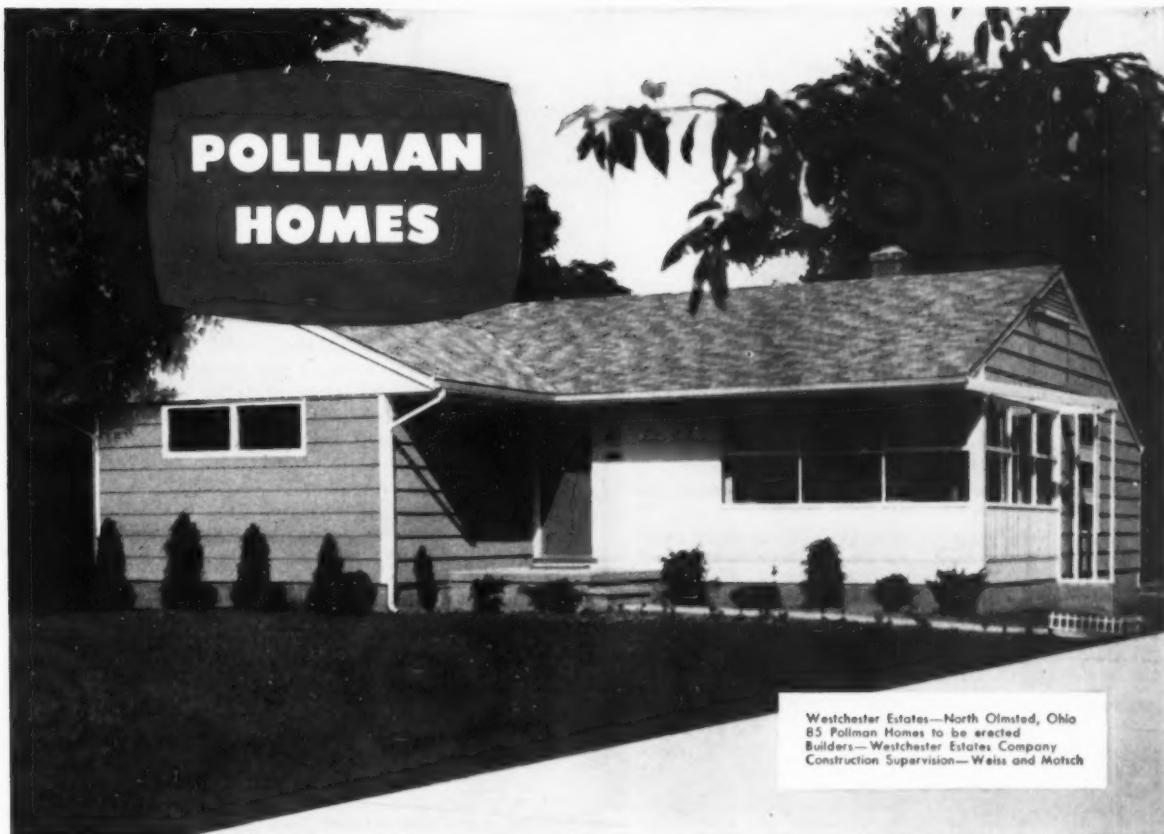
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HERBERT S. STAMATS, President.
Sworn to and subscribed before me this 29th day of September, 1953.

(SEAL)

D. S. Lupton

(My commission expires July 4, 1954.)



Westchester Estates—North Olmsted, Ohio
85 Pollman Homes to be erected
Builders—Westchester Estates Company
Construction Supervision—Weiss and Motsch

Model Home—sold before it was open

That's the story at Westchester Estates—a new 85 home development on Cleveland's suburban West Side. This new 3 bedroom, L-type Pollman Home was built for a model home showing—a buyer signed the purchase contract two weeks before the doors were open. On opening day, contracts for nine other Pollman Homes were sold.

A wonderful story in today's market? Yes—and Pollman Builders in other areas continue to report similar sales experience. If you are a builder who would like to learn more about this salable line of factory assembled homes, write us. We will be glad to have a factory representative call.



Pollman Homes are designed by noted American house designer, Richard B. Pollman. The popular L-type plan features 3 bedrooms, plenty of closet space and a floor plan that eliminates family traffic problems. If you are located in the Southern or Gulf Coast States, we suggest the Southerner Line of Pollman Homes, designed for warmer climates and manufactured in Collins, Mississippi.

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might mean an annual building rate of 1.5 million or more."

Such a rate of building, Strunk says, would promptly create an over-supply of houses and bring a quick, sudden end to our present stability in residential real estate.

The vice president of Northern New Jersey Mortgage Associates predicts that within a matter of months, real estate builders will again be able to obtain all the financing they need.

Elwood La Forge, reporting the results of a survey by this organization, says in his opinion the crisis has been passed, that all real estate interest rates will either decline or remain the same.

Brown L. Whatley, Mortgage Bankers Association president, says the tone of the mortgage market has improved considerably within recent weeks. The large institutional investors are showing greater interest in FHA and VA loans. They are apparently allocating a greater proportion of their current funds to the mortgage side of their investment portfolios. The discounted prices at which these loans have been selling are rapidly firming up, and, more important, declines in prices have been arrested, Whatley says.

NAREB Convention — Bigger and Better

Hundreds of developers, brokers, managers, and appraisers of real estate will benefit from a program chockful of experts this month at NAREB's 46th annual convention in Los Angeles.

"Financing the Home in 1954" and "The Future of Our Cities" are two of the subjects to be considered by informed panels which will forecast the future. HHFA's Albert M. Cole will talk on "Federal Policies That Effect Housing." Under Secretary of Commerce, Walter Williams, will give a talk — "Looking Ahead." Los Angeles' Fritz Burns, heading NAREB's Build America Better program, will lead a panel discussion which is expected to stimulate the greatest concentrated effort to clear slums ever attempted.

ABOUT THE AUTHORS

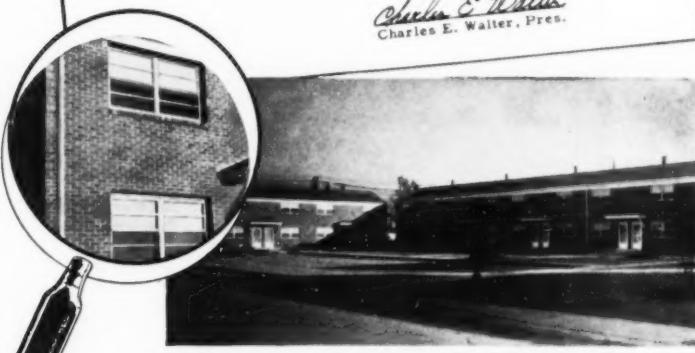
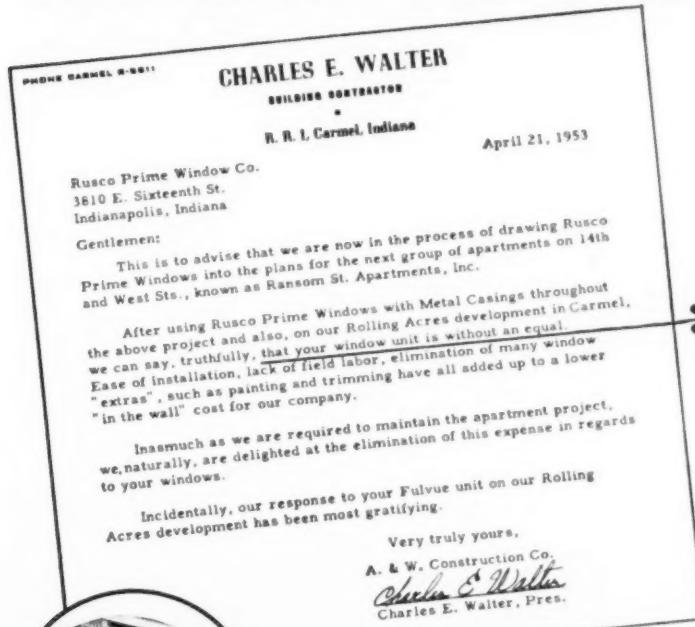


AS President of Carlton Schultz Management, Inc., Mr. Schultz has had 32 years experience in managing, selling, appraising, and financing real estate on a national basis. His article "Maintenance Makes That First Impression," appearing in this issue, is the latest of a series of timely, down-to-earth management articles he has done for the JOURNAL. For several years Mr. Schultz conducted a monthly real estate publication of his own. He is a past president of the Cleveland Real Estate Board, a past vice-president of NAREB and a past president of the Institute of Real Estate Management. At present he is an active member of the Appraisers Institute of the Brokers Institute, and the Society of Residential Appraisers.



ROBERT CLEVELAND made his mark in architectural photography early in life. As a youngster in Rochelle, Illinois, photography was his hobby, and after studying liberal arts at Beloit College, he joined the air force as a photographic officer. He has had his own studio since 1945. His book, *Architectural Photography of Houses*, was published earlier this year. Photography is now strictly business with Mr. Cleveland. His hobbies have become fishing and carpentry, both of which he undertakes at a lakeside summer cabin in the high Sierras — a camera-free retreat where he can relax with his wife and three children.

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RANSOM ST. APARTMENTS, INDIANAPOLIS, INDIANA is a 1,000-apartment project being built by the A & W Construction Company, and now partially completed. Photo above shows one of the completed units. At left is close-up of the Rusco Type P-22 Vertical Slide Prime Windows installed on unit. Architect: Paul Cripe • Builder: A & W Construction Co.



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From Journal Readers

• On Mr. Teckemeyer's Article

Setting the sales price of a single family residential property is not an exact science and cannot practically be accomplished by the ordinarily accepted approaches to value. The market data or comparison approach can be used only when actual sales experience is used with it. We have three competent appraisers in our organization, but when we want to know what a house will sell for we ask the most important man in the whole real estate picture, the SALESMAN.

I think Mr. Teckemeyer's ideas of what the public thinks about real estate people is erroneous. As I look at my fellow realtors and their positions of respect and service in their communities, I can think of no group that is more respected or accomplishes more in constructive community work.

The analogy in his guessing contest where he compares real

estate men and doctors is unfair. Strangely enough, the salesman who chases prospects all over town looks to me just like the kind of salesman that is going to succeed in this business and is just exactly the kind of a man that I would like to have sell my house for me.

I am not taking the position that the real estate business cannot be improved; I am merely saying that this article does not set out either the problem or question.

Darrel Holt
Minneapolis, Minnesota

• What About Overpriced Listings?

In this area, 99% of our real estate difficulties emanate from brokers and sellers. Provided they know property values, many brokers and their salesmen take listings of ridiculously over-priced properties for these reasons: a) they want to appear as "bigshots;" b) they fear that telling a seller his property is over-priced will beget

antagonism and loss of the listing; c) they accept the listing hopeful the seller will ultimately take a counter offer in keeping with the property's real value. Under these conditions, a broker who gives an honest valuation of the property is persona non grata, and invariably loses any opportunity to move the property. What follows? After spending useless dollars in advertising, traveling, the listing broker finally throws in the sponge. Subsequently, an outsider appears on the scene and sells the property at a proper value.

Real estate people boast that ours is a profession. What attorney, for example, would accept from a client a damage case for \$100,000 when he knew the case was a mere \$5,000 claim? Here are some listings of which I personally have knowledge:

A local multiple-list group sent through these listings: 1) Commercial property listed at \$33,500. Property sold for \$18,000. 2) Commercial property listed at \$39,000; real value perhaps \$15,000. Property unsold. 3) Restaurant listed at \$33,000, real value perhaps \$20,000. Unsold. 4) Farm appraised by a leading broker at \$70,000. Sold for \$48,000.

No excuse can be summoned for accepting such listings. If a broker does not know his values, he can most certainly consult banks or building and loans for their opinion. Since most buyers need some form of financing, no better guides for establishing values can be found than the institutions who base loans on their appraisals.

The sooner remedial measures are taken in our profession, the better for all concerned. In our common interest, a realistic attitude must be taken. The real estate boom is over. Despite all the ballyhoo of high wages, 80% of our people live from payday to payday. Further, present down-payment requirements, even when a property is properly priced, present a problem to most prospective buyers. Why, then do real estate people, under these circumstances, add to their burdens by accepting listings of over-priced properties? Further, why do they penalize other brokers by depriving them of an opportunity to sell at an honest valuation? The Scriptures say, "A man's enemies are of his own household." A word to the wise.

James T. Lappan
Valencia, Pennsylvania

PRODUCT NEWS from AMERICAN-Standard

A review of products in the news and important features worth remembering



NEW-DESIGN PLUMBING FIXTURES. Styled to match the trim, horizontal lines of American-Standard cast iron bathtubs, new-design vitreous china lavatories and toilets are more beautiful and more convenient than ever. All embody the same top quality that your customers have come to expect from American-Standard.



CONVERTIBLE KITCHEN CABINETS. American-Standard all-steel cabinets are the *only* kitchen cabinets with interchangeable drawers and shelves. You can install an economical package kitchen in the homes you build. By adding extra shelves and drawers to the cabinets at any time, buyers can create deluxe kitchens to fit their particular needs.

For further information on American-Standard products see Sweet's Light Construction File.



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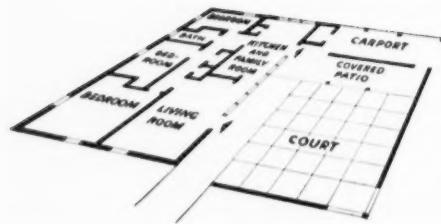
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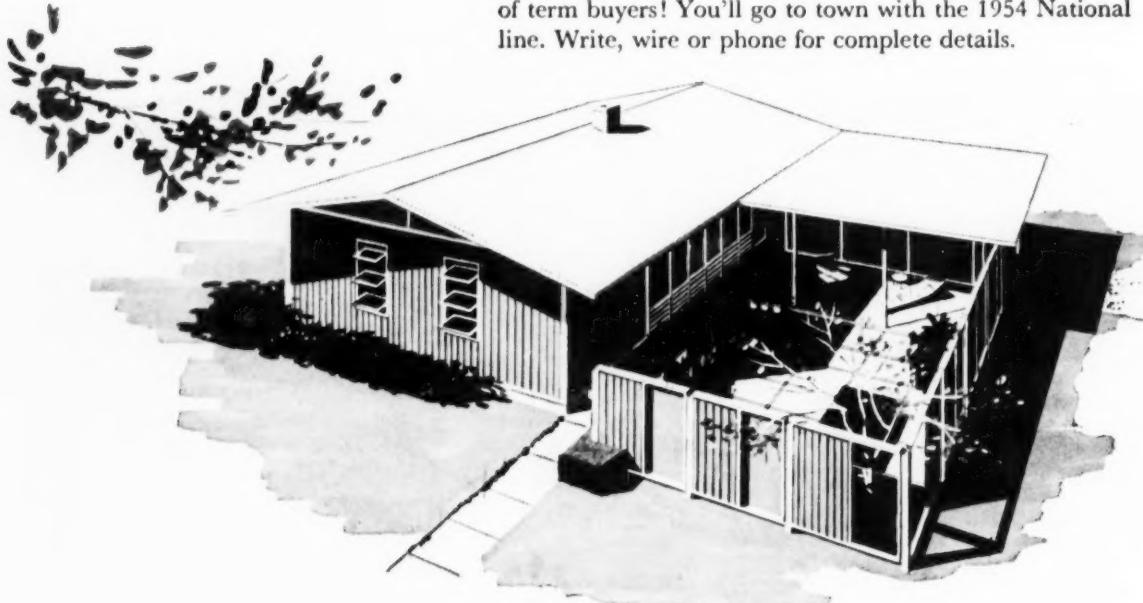
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KEEPING OUT IN FRONT.....



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WE WERE watching a college track meet several weeks ago. The favored sprinter, a young man with a chest-full of blue ribbons, didn't win. He took the lead early in the race and then something happened. Perhaps he was over-confident. Anyway, some unknown fellow, who was running his heart out, caught up a few yards before the finish line and broke the tape first.

We aren't experts at judging track talent, but this particular race started us thinking about the continual race of business. And it served to prove an important point: The way to succeed in business is to get out in front and keep up the pace to stay there.

Of course, if you're out in front, your opponents will have to run a lot faster to catch up with you. But staying out in front — keeping that lead — is another thing. In business, there is no finish line. You can't stop to catch your breath. You can't slow down. You can't become over-confident. There are always virile contenders who are striving to take the lead.

A real estate executive was telling us the other day about how his company had retained business leadership in his community over the years. "We never sat back to reflect how good we had been. We always kept planning ways we could do better." That's a simple policy, yet how important it is and how often it's overlooked.

How many real estate and building organizations today are living on their past glories, complacently believing that their successes of a decade or so will be automatic in the future? And then they are bewildered when someone with a fresh approach and a will to win takes the lead.

Past performance is an excellent foundation for success tomorrow, especially in the real estate business. Certainly a record of integrity, wise counsel, fair dealing, are essential to long range success in real estate. But that's not enough. A track star can't win today's race thinking about the blue ribbons hanging on the walls at home. And a real estate organization can't depend on past performance to bring a prosperous future. Today's race depends on today's pace.

R. O. Eastman, head of a research organization, tells of a remark he made to one of his clients: "The fellow out front always has everybody else sniping at him. But the fellow out in front, if he gets hit at all, only gets hit in the back, where it doesn't show and doesn't hurt."

Taking the lead in the real estate business means that you have to deserve the complete confidence of people in your community. But coupled with that reputation, you must be alert to today's changing conditions.

As we plan ahead for 1954, let's face the fact that our success is not guaranteed by what we did this year. Next year's pace has to be faster. We're going to have to run harder. We're going to need new ideas, new methods, new techniques that will get results . . . that will put us out front and keep us there.



What's Ahead



Delbert S. Wenzlick, C.P.M., is president of Wenzlick-Stevener & Co., founded in St. Louis in 1877. Joining the firm in 1910, he has become thoroughly experienced in all phases of real estate, but his first love is property management. During the thirties, he organized syndicates of apartment purchasers and developed the management for them from an engineering and cost accounting approach. Having been active in national organizations, he is a recognized expert and pioneer in many management problems. In 1932, he organized Real Estate Analysts Inc., which he sold four years later to his brother Roy who now operates it under his own name.

Harold S. Goodrich, a Springfield, Ohio C.P.M. and M.A.I. is well versed in property management problems. He has practiced real estate for 32 years and currently specializes in appraisals, sales, and the management of 650 property units, residential, commercial, and industrial. The firm also has a \$250,000 insurance business. Goodrich's appraisal work is done in several states. A former chairman of NAREB's Rehabilitation Committee, he has served as past president of his local board and state association and on the governing council of the Appraisers Institute.



Durand Taylor, New York C.P.M., entered real estate in 1926 with the late Charles G. Edwards, NAREB president in 1925, and since 1947 has operated the firm under his own name. His firm manages 100 buildings in the New York area — 30 apartment, 45 office, and 20 loft buildings — representing investments of \$40 million. The firm's specialty is real estate management for ownership accounts, but is also a mortgage loan correspondent and actively engages in general real estate commission business. Taylor, a popular lecturer, was president of IREM in 1947.

Suddenly we find ourselves in a new management era. Tenants are no longer begging for rental space in many cities. Owners, who found few obstacles in the "no vacancy" years, are discovering that they need professional help. What are the problems presented by this kind of market? Are we prepared to meet them? Three prominent real estate executives exchange their ideas.

for Property Management?

● What is Management's Most Serious Problem?

"Facing a non-shortage economy." — WENZLICK

PROPERTY managers' most serious problem today is adjustment to conditions which have come about during the last year or so, especially in communities where rent control has just expired. For about 12 years most of us have operated in a shortage economy. We didn't have to sell a tenant on renting from us. He did the selling and we did the selecting. That condition has changed or is changing rapidly. During these 12 years the average manager and his staff have become calloused, arbitrary, unaccommodating and even discourteous in contacts with tenants much too often. This should be changed where it exists before it does much harm in the present market.

Another serious problem is that of building up management volume. Strangely enough, it's easier to do now than it has for years. Owners who've been managing their own property are finding that the complications of renting and servicing properties are far more extensive and exacting than before. They are making many mistakes in judgment and are already realizing that management under present conditions is not simple. This is the time to tell these owners what we can do and that we can more than justify our management fee with greater net income and elimination of annoyance.

I like to think that our organization has never departed too far from a cooperative, courteous attitude with our tenants. Our motto is "Thoughtful Management" and we've tried to live up to it. Today we are putting on extra effort to show every courtesy to tenants even under trying situations. To increase our volume, we're using institutional and mail advertising and have employed a high grade, full-time man to run down every lead to new business. I think this will pay off today, although past experience under different conditions made it doubtful.

"High operation and maintenance costs." — GOODRICH

I CONSIDER the most serious problem facing property management to be the constantly rising cost of maintenance and operation which reduces the new return for the capital hired. Rents in residential, office, and industrial sectors haven't risen as fast as cost of ownership. We have been saved by the inflationary trend in which property prices were substantially increased, thereby compensating for the declining capitalization rate.

Now this price rise in real estate values appears to be diminishing and probably will level off or even decline in some classes of larger property. Loss and vacancy are beginning to show up in some types of investment property, yet operating costs, including

taxes, labor and maintenance, are not leveling off but are continuing to increase.

Interest rates have been increasing and investors are demanding a higher rate of return to attract them as buyers in the market place.

"Building better tenant and owner relations." — TAYLOR

GOOD public relations is a serious real estate problem, particularly in property management. We can all agree that real estate is only as good as the use to which it's put. Since people are the principle users, this means we deal with the human equation and act as the liaison between landlord and tenant.

Tenants are now in a stronger position and the manager should recognize the great advantage that lies with the keeping of a harmonious relationship with the tenant. Here is an example to illustrate how good relations pay:

In this case we had to assemble practically three floors of contiguous space in a downtown office building. While much of the space was vacant, there were tenants in occupancy under leases who controlled just enough of the space to prevent our assembling the required amount for a nationally known corporation.

In spite of commercial rent control — which protects tenants with or without leases — we persuaded all tenants to give up their space and move elsewhere in the building into similar office units. Although they had all the inconveniences of moving, they enjoyed the newly decorated offices, which were often in better locations, and in addition had all expenses paid by the building. On the other hand, the ownership gained a major tenant for a long term of years which brought not only a higher income but infinitely greater prestige to the building. Such a result can only be obtained through the efforts of a property manager who fully realizes the value of good public relations.

● Are We Selling Management Short?

"A professional system makes it difficult to sell short." — WENZLICK

I THINK most real estate firms do not sell management short as much as they take it too lightly. I believe management is the most important function in real estate. During my two years as president of the Institute of Real Estate Management my talks were built on that theme.

Management operations consist largely of uninteresting detail. Evidence of management's results should be available to the management executive and to the owner in such a form that logical, direct com-

parisons can be made as frequently as possible. In our office we classify all management costs with a decimal system, then accumulate monthly each classification for 12 months on a moving total basis. This means that not once a year but once a month we have annual figures for comparison.

These figures are further reduced to a unit basis, but not to the usual denominators of square feet of rentable area or room count or percentage of gross income. Such units are not indicative of many factors of operation. Our annual plumbing maintenance costs, for example, each month are divided by the number of plumbing fixtures in the building. We divide refrigerator maintenance costs by the number of refrigerators; heating costs by the square feet of radiation and the number of degree days for 12 preceding months; utility costs, where furnished, by the population of the building. Each classification has its own unit for analysis.

Although we have no two identical buildings for comparison, this method gives us continuous comparison of operating details. The median on plumbing costs, for example, may be about \$1.00 per fixture per year. In a well-designed and equipped building it may be only 50 cents per fixture. A poorly-designed, speculative type building, from a plumbing standpoint, may run into several dollars per fixture.

It doesn't take a great deal of intelligence when working with figures like this month after month and year after year to reach conclusions as to why one building has consistently lower operating cost in a particular phase of operation while another has several times the normal. Efforts are sure to follow to eliminate the mistakes and conditions causing bad experiences and to duplicate as far as possible those conditions responsible for efficiency.

When management is conducted in accordance with these procedures, it is difficult to sell it short and easy to convince an intelligent owner that it is to his interest to avail himself of this kind of management.

"No! We've been in an owners' market."—GOODRICH

WE are not selling management short! Many owners have kept management of their properties for themselves or have taken it from management firms because administration problems were much smaller during the past 10 years in relation to the previous period. We've been in an owners' market in which anything offered for rent quickly found a taker. This is true of all classes of property. There was no collection problem, no vacancy factor, and it was not necessary to provide professional management service to get and keep tenants.

These conditions are beginning to disappear. Owners are beginning to find that there are some problems which require professional management, and to avoid these problems they are turning them over to professional managers. Therefore, our management business will increase. Many of these properties are suffering from deferred maintenance and must be modernized and put in condition to attract new tenants. This will be accomplished through good professional management.

"Not in our great population centers."—TAYLOR

PROFESSIONAL management in great centers of population has long been recognized as the most

efficient, economical way of running investment properties.

There are millions of dollars of property under the guidance of managing agents, and because of this, the management business has developed into a science based upon experience, organization, factual data, labor relations, merchandising of space, accounting, and all the other facts that make for the highest efficiency.

I believe that we are not selling property management short, but that it will continue to grow and become the most important division in real estate.

● **What Is Sparking the Modernization Boom?**

"Competition from new construction."—TAYLOR

NEW YORK CITY has recently built more new business and office space than any other area, and several million more square feet are now planned or under way. Many new apartment buildings are going up.

To make certain these new structures not only meet present standards but anticipate future needs, the property manager's practical experience in dealing with tenant needs has been carefully considered—in addition to the architect's design ability.

These new structures compete with older buildings. Alert managers have the imagination, ingenuity, and ability to map out modernization programs for all ownerships of these existing structures so that the old space can be up-graded to a competitive position, thus preserving and increasing ownership income. On the other, modernization enables tenants to rent modernized space for a lower rental than the high prices which new construction commands.

"Demand for better housing."—GOODRICH

WE must modernize our thinking, our methods. For years we have been on the defensive and rarely does it gain us ground. We must reverse our tactics and aggressively take the initiative in providing better housing for our citizens. The professional real estate builder-manager can do much to preserve and protect that which is good and to insist on disposing of that which cannot be brought up to minimum requirements. By demolition and modernization, we do much to preserve our business rather than surrender it to the public houser who appears to be ready, willing, and able to take over.

"Extensive modernization must be justified."
—WENZLICK

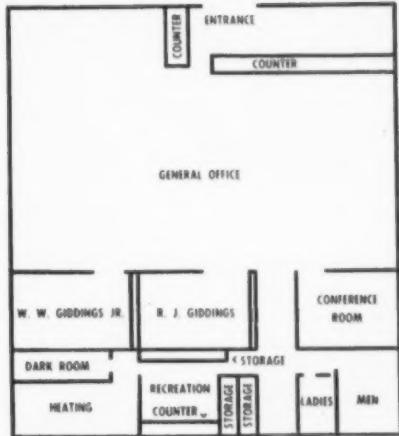
ST. LOUIS has not had as many new apartments as other cities. We have only three major projects, one of them having about 600 units, another 1,200 and the other about 1,500. Our older buildings are actually drawing tenants from the new ones.

Elaborate modernization is expensive and in our situation isn't often justified. People seem to be more interested in keeping their rents down than in all the frills. We are enjoying 100% occupancy here and while we are keeping our buildings attractive we are leaving the interior decoration pretty much to the tenants' desire and replacing stoves and refrigerators only when necessary.

Since rent control went off, rentals have increased from 10 to 15% in general, but we didn't get a blanket 10% increase last fall as Chicago did.



Plate glass front of Giddings' new office building gives modern, airy look. Photos displayed to left of entrance were shot and developed with the firm's facilities, complete within the building



They Wanted Space

After 28 years of growth, Giddings Brothers, realtors of Modesto, California found the solution to jam-packed office conditions. Believing a successful real estate firm should have ample, modern facilities, they built the new office building which is their present headquarters. The structure has an open floor plan and is packed with modern conveniences to make certain that clients and employees are comfortable.

Centrally located in the city, the one-story structure sits on a 75-foot lot. It has 2,800 square feet of office space and parking facilities for 30 cars. To the rear of the main office are two glass-enclosed private offices for owners R. J. Giddings and son W. W. Giddings, a comfortable conference room, a vault, recreation room, large storage area, and photography studio.

The studio has complete developing and enlarging facilities. Firm members take their own pictures with a 4 x 5 Speed Graphic camera. The photographs are used for front window displays, farm surveys, and in insurance summaries for larger accounts.

The building was designed for long wear and easy maintenance. It has Graystone tile floors, Formica working surfaces, Roman brick walls, Celotex ceiling tile, and American-Standard plumbing fixtures. Heating and air cooling system is by Chrysler Air Temp and uses a Trion electric air filter. It has a Herring-Hall-Marvin safe, Schlage locks. Other features include General Air Conditioning refrigerator-stove-sink unit, General Electric floor ducts, Bryant switches and receptacles, and Westinghouse light globes and panel boards.



Spacious look is carried all the way to the brick wall which separates the main office area from the photography studio, recreation, utility and storage areas, and rest rooms in the rear

Long-wearing, maintenance-free materials are used throughout. Note tile floors, brick walls, Formica work tops on wood-paneled counters. Tilted panels in window hold display photos of homes



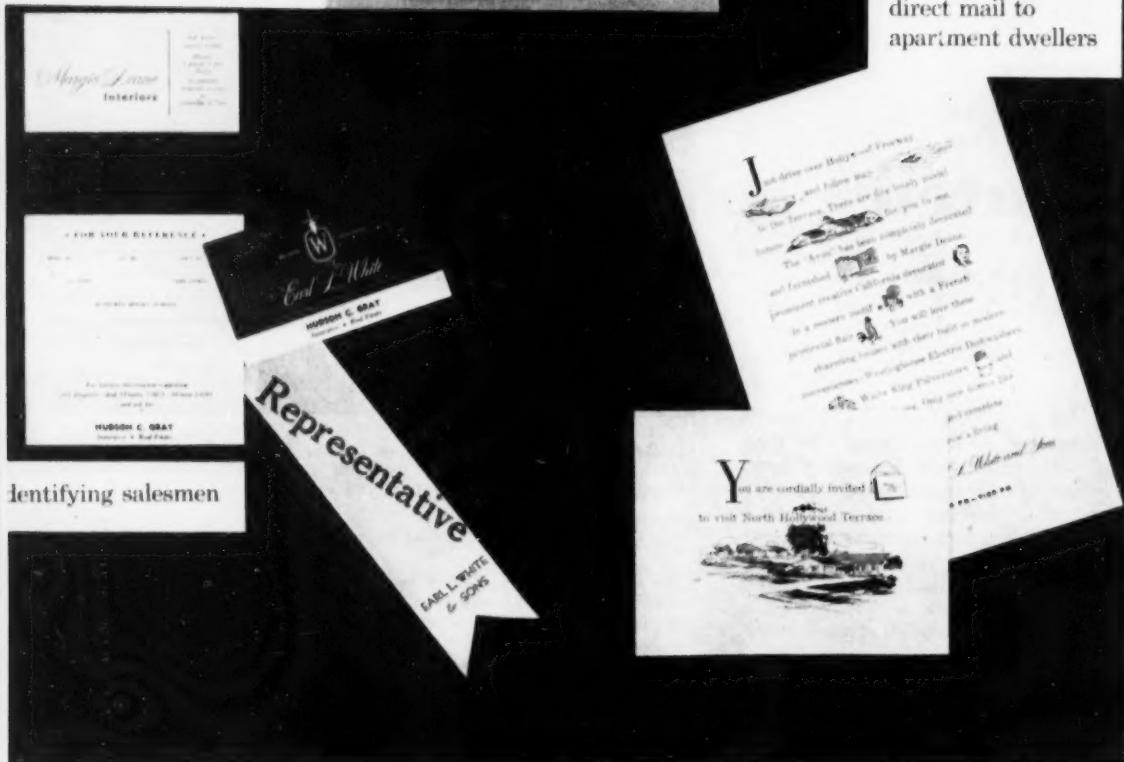
basic literature

Interior Decorating Plan

ABOVE: INTERIOR CHARM FOR
NORTH HOLLYWOOD TERRACE RESIDENTS



Photo



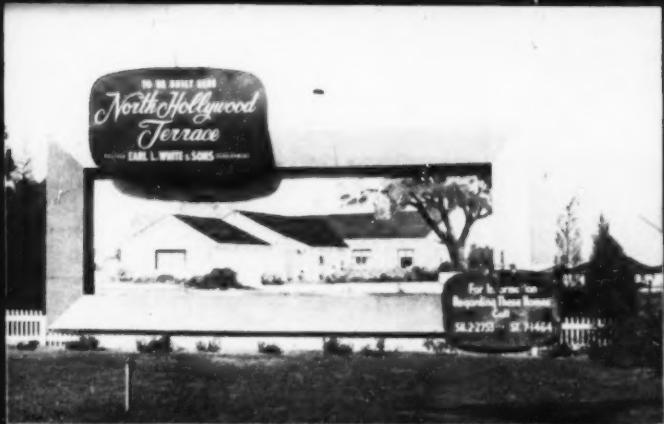
Identifying salesmen

At top, the brochure which was given out by salesmen at the development. Right, the invitations mailed to qualified lists of tenants requesting them to visit Terrace model homes. Left, business cards and ribbons worn by salesmen and hostesses at the site

direct mail to
apartment dwellers

In today's selective market, how can you keep sales ahead of construction when you're building higher-priced homes? Merchandising know-how is the secret. This California real estate and building organization leaves no stone unturned in an aggressive merchandising campaign for its 242-house development. Pictured are this organization's methods

These Ideas Sell Homes!



Complete sets of these feature signs were installed along the two main boulevards bounding the development. At left, this full color outdoor board was located near the main intersection at one corner of the property. The sign resembles a large picture

After completing five demonstration houses, Earl L. White and Sons formally opened North Hollywood Terrace, a luxury-type development of 242 houses just 15 minutes from Hollywood. Before this group of homes was finished, more than 8% of them had been sold from blueprints — despite the problems involved in marketing such higher priced homes. Thousands turned out the first weekend to tour the model homes.

White attributes rapid sales largely to his aggressive advertising, merchandising and public relations program. Here are some of this California company's ideas:

In promoting a new development, the company finds that furnishing the demonstration model stimulates sales. But White warns that careful consideration should be given to the manner of furnishings. White's furnishings are kept within the price bracket of the home, just short of "too plush" from the prospects' standpoint. Landscaping, likewise is interestingly done, but in line with the price bracket.

White attracts prospects mainly by newspaper advertising. Six daily papers were used during his opening campaign. Salesmen are instructed to make every effort to close a sale during the demonstration, but when this is impossible, they are urged to get full information for later follow-up.

The length of time a demonstration home can be effectively shown is governed by the community where it is located, White says. Usually, however, his models are shown and promoted over a six-month span. This extended time is not only good business, White says, but also helps the

home furnishings merchant. White finds the best hours to show a home during fall and winter are between 10 a.m. and 5 p.m., as compared to 2 p.m. and 8 p.m. during the spring and summer.

The brochure pictured is given out by salesmen at the development and mailed out in response to inquiries. It contains an outline of the personalized free decorating plan, an illustration and floor plan of four other models, a complete list of important features and an illustrated map of North Hollywood locating the development.

Thousands of invitations were mailed to qualified lists of tenants requesting them to visit Terrace model homes. A "how to get there" map was printed on the reverse side. Those who telephone for information are sent a regular

brochure giving complete information.

The decorator and hostesses are furnished with suitable business cards. Salesmen are easily recognizable in crowd because of "representative" lapel ribbons. Their business cards are designed to provide space for pertinent information such as lot numbers, total price and monthly payments.

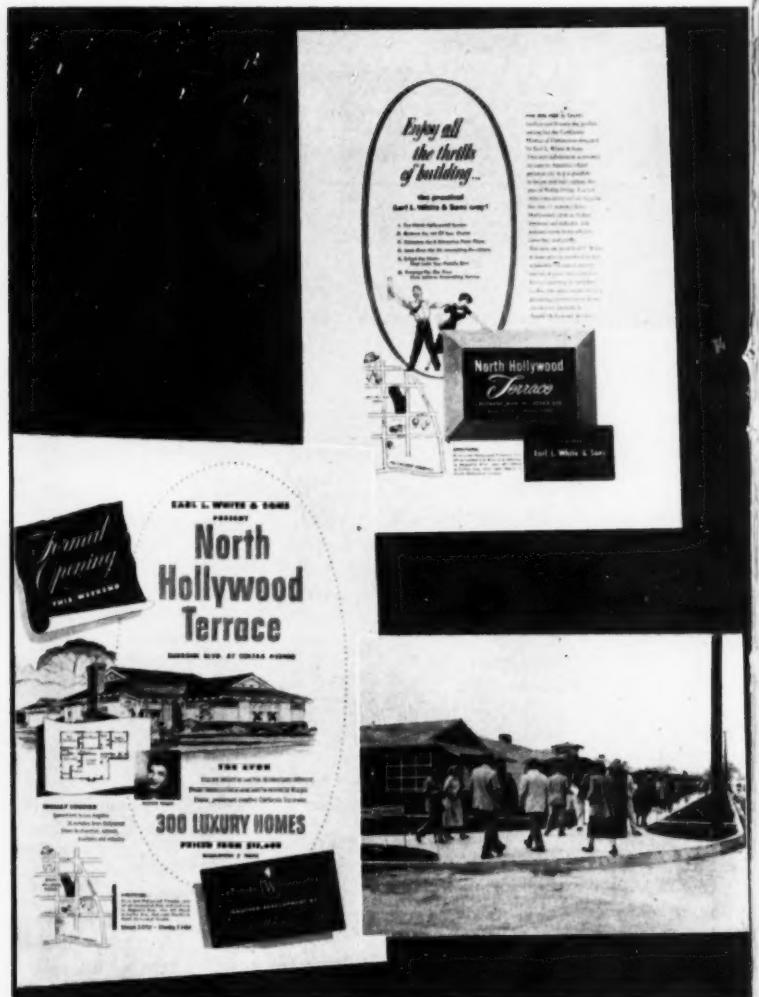
Some of the attractive features in the Terrace homes are: Waste King Pulverators, double wood burning fireplaces, Westinghouse dishwashers, kitchen exhaust fans, wood panelled walls and wainscoting, dutch doors between kitchens and dens, electric heaters in baths, hardwood grooved and pegged floors, rock wool insulation, beamed ceilings, raised hearths, powder rooms, picture windows and sliding windows.

These photographs of the furnished model were used for newspaper publicity and in enlargement form on the Building Contractors television program which featured the Avon demonstration house as "Home of the Week"





Three techniques used in newspaper display advertising were the prestige approach, the convenience factor and human interest. Others were proximity to the film capital, cartoons, co-operation with manufacturers of products used in the homes



Adaptations of this advertisement, top, were used as part of the six-point pre-opening sales plan. It resulted in considerable traffic and accounted for over 8% of total potential sales. Bottom, the formal opening advertisement. Thousands responded

Tags for Tenants

By HARRISON YOUNG
Management Consultant

CUSTOMER goodwill is a valuable asset in any business, but in managing apartment properties it is down-right essential. One of the simplest and least expensive ways to begin building this goodwill is by supplying new tenants with colored tags for furniture identification on moving day. An assortment of various colored tags is given to new tenants when they sign the lease. Each color is as-

signed to a room in the new apartment or house and attached to the furniture which goes to that room. This makes it easier for the mover, and saves the tenant money if he is paying movers by the hour.

The average family needs a minimum of 100 tags to identify household goods. At small expense, a real estate firm can supply these tags. On the face of the tag, the firm's name and address might appear with a statement of the services the firm offers the tenant. On the reverse side there should be a space for the tenant's name, address, and the intended

room location of the piece. If the tags are numbered, a quick check for any missing items can be made easily by either mover or tenant.

Another service which might accompany the colored tags is a "Moving Day Reminder List," reminding the new tenant to leave his change of address with the Post Office, and to take care of such services as gas, electricity, telephone, and newspaper delivery. Such a list should also be given to a departing tenant. He would be surprised and delighted by your thoughtfulness and would pass on his goodwill to others.

Let's Raise Our Sales Sights

Success in selling homes depends greatly on a salesman's attitude — his level of thinking, as our author puts it. Here is an inspirational message which will challenge your salesmen, young or old, to review their own selling ideas and perhaps readjust their thinking to higher levels

By EARL TECKEMEYER

Realtor

Indianapolis, Indiana

OUR beautiful Indian Summer season especially calls to my mind a speech-making tour I made with the late Cy Willmore through all the New England states in the Fall of 1942. We spent all our time talking to realtors in every middlesex, village and — no, not farm, but every metropolitan area from Portland, Maine down to Brooklyn.

It was a wonderfully inspirational trip because if ever there was a great real estate salesman Willmore was it, and at that time I was just 35 or so and right at an age when I needed to be impressed with the meaningfulness of dealing in homes, real estate, and with people who needed help and guidance. Cy Willmore supplied the inspiration. I always think back upon the things he said to me then, and I have never forgotten them. They were ideal for a young man in the business. Ideal then and by now a real necessity because since then we have been in a market where many of such things have been abandoned or cast aside because we could get by. What were they?

Well, to start with, I remember that to be a good salesman all you had to do was to get people to like you. And, it's just that easy! But, to get people to like you means sacrifice of time and inclination; means doing many things which appear to have no direct or immediate benefits toward a commission; means being accurate and honest in offering properties for sale or in taking listings and a host of other things which are sometimes slow moving by 1953 standards but are solid and lasting and reputation builders. Good reputation, that is.

If people learn to like you from their experience in dealing with you or the experience of their friends in doing so, they believe what you say and that is the crux of the matter. No need to argue with a prospect about value, financing, neighborhood or anything else if he believes what you tell him about such things. He takes it for granted and, once said, it is done and you get on with the business at hand.

So, for the young fellow getting started that's my first suggestion. Learn to do all the things, direct and indirect, that will cause people to like you, and to do that means, right from the start, hewing to the line, making slower but more solid progress, and building

your business from day to day on a foundation of bed rock confidence, and forego the quickie deals and neon-lighted arm-waving, whoppin'-ad tactics which are like the man said: "full of sound fury, signifying nothing."

The next thing is to know more about your community or the area in which you are dealing than anyone else around, including the politicians and ward healers. They have far less legitimate use for such information than you do, but, by George, they've got it. They know who lives where and why, where they work and how many kids there are and all the rest including where they came from, what their ambitions are, why they are where they are and what

Readers' Advance Comments

Robert Whitmer, sales manager of the J. C. Nichols Company, Kansas City, comments: "This article is excellent . . . an inspirational guide for the new salesman, a refreshing reminder for the more experienced. It will appeal to both young and old . . . once I started reading I couldn't lay it down until completed."

Thad E. Murphey, vice president of Murphey, Taylor & Ellis, Inc., Macon, Georgia — "An article to inspire the quest for further knowledge is always needed. To go one step further and inspire building a reputation on more solid ground is needed more, as the great men in our profession only obtain greatness after they first learn their business then apply it wisely. Rules of ethics and high standards were set forth years ago and they are still good today. Everyone needs to rededicate their thinking occasionally and this article is a fine reminder to set your goals high."

James F. McMicken, realtor, West Allis, Wisconsin — ". . . out of this world . . . Cy Willmore's old friends in particular will like it."

their expectations are. And, they know every street, who lives on it (good or bad) why this location is better than some other (with reasons therefore), where the new school or playground is likely to go. Yes, *everything* there is to know about the area where you will be selling homes. How do you find out about it?

Well, you just have to go around thinking about it practically all the time — that is, all the time you are on duty. Attend the Parent-Teachers Association meetings, your city council meetings, the various civic organizations. See what they are striving for or what is proposed. Some of what they are after will come to pass. You might as well know about it ahead of time. When you are seen at such places, showing an interest, who knows but what some part of the program may be assigned to you for help in putting it over. You meet a lot of people and they learn to know how you can get things done. If, as we suggested at the start, they have learned to like you — well, young fellow — you are really on the way.

Know About House Construction

So, the next thing on the docket is to learn all about a house. Now here is a choice item. But, if you will just stop around where houses are being built and ask questions you don't know the answer to as a house goes up you'll soon find out how little you knew about the basic construction of your product. You'll find out about costs; what different parts of a house are called, how they are put together, what is good or bad in the way of construction and what the latest wrinkles are. You will then be able to make accurate comparisons when called upon to do so either by buyer or seller. In other words, get people to like you by being able, correctly, to discuss more about home buying than the mere fact that the price is so-much (no real reason why) that the deal won't last long, that the "asking" price is so-and-so but they can get it for such-and-such which is about the tenor of the normal tug-of-war indulged in by buyer and salesman who wants the deal but hasn't been willing to really prepare himself to get it.

While doing all this, put yourself in the hands of a respected old-timer in your community who has built a solid reputation and is

known for the fact that he will not surround himself with the here-today-gone-tomorrow fellows. He'll probably not be the largest broker in the community or the one who runs the largest ads or has the most branch offices or does the greatest volume. He may be all of that, but not necessarily. He'll be the type who, when you explain your goals and explain how you expect to achieve them will immediately understand what is going on in your mind and your deal with him will be in the making. Then, let him guide. Pay attention. Be faithful. Be enthusiastic and willing to learn and don't expect to start off with a tremendous income. You may have one but probably won't. It takes time. But, it's worth it. Remember, you are building as you go, not for today alone but for the many happy future years when the younger men will in turn come to you for the same start you were given. That's the way it works out.

If you think the happiest men in this business are the flagwavers, the fellows with the longest Cadillacs and with the most deals, largest volume, greatest ads, just look around — see what you find. Are they?

On that trip with Cy we stopped at a New Hampshire Mountain Lodge for a night. A guide was showing colored slides of what his followers would see on the hike next day. His last picture was the most beautiful of all — an unusual and delicate flower — unknown to anyone there. It was a rare specimen. All wanted to be sure to see it. Where was it to be found, they inquired.

"That flower," he said, "grows only on the higher level. It is two miles up. Takes four hours to climb it. All who want to go be ready at five o'clock. We must get there by nine or it will be gone."

Sure, you know the answer already. Some started and when they had gone a few hundred feet, sat down puffing, saying to themselves: "The flowers here are purty enough for me — I ain't going to lug all the way up there." Others plodded on for awhile then also gave out, and only the stalwart one or two who really wanted the best, stuck it out. They knew that the best of anything was always found on the *higher levels*. So it is with this business. *On what level is your thinking in this greatest of all businesses — REAL ESTATE?*

ABOUT a year ago we had a telephone application for a mortgage loan on an apartment in one of the older sections. It so happened that, on the next day, the mortgage loan supervisor of one of the companies we represent, came to Cleveland to inspect some proposed loans. I decided to take a chance and show him the apartment even though I had not seen it.

When we drove up to the old apartment, my face was red, for the lawn was unmowed, some of the front steps were broken, the front door had a broken glass, one of the downspouts was rusted out and the whole building needed paint. It was the worst-looking building on the street.

The supervisor took one look, and, shaking his head, said, "Drive on."

When I told the owner why we could not consider the loan, he left the office in a huff, saying that if we did not like his building, he would get the loan somewhere else.

Apparently the getting of a loan was not so simple, because in a few months he telephoned and asked if I would re-inspect the same building. On his assurance that he had followed my recommendations, I went out. One look convinced me of his reform.

It so happened that about a week later the same loan supervisor was again in Cleveland and I drove him out to see the renovated building. After a careful inspection, he said, "Send it in, I will recommend it to the loan committee." When we were walking toward the car he said, "I am sure I turned down a building like that one the last time I was here." Seeing my smile, he continued, "It was that very one. What a difference proper maintenance makes!"

The loan was approved.

Maintenance certainly creates the first impression. People are too busy to go deeper than what they find on the surface, so the first impression is usually the final one.

If you have an apartment for rent, you may think of the building merely as an income-producing investment, but the prospective tenant is thinking of it as his home. He wants to be proud to give his address, he does not want to feel ashamed to invite his friends into his apartment, and he wants his wife to be happy.

So, the first thing he looks for

Loans have been disapproved, prospective management clients lost, and tenants turned away by the poorly maintained appearance of an income property. It's the first impression of a property that counts most — and an efficient maintenance system can help you create it. Here are expert tips

By CARLTON SCHULTZ, *President*

Carlton Schultz Management, Inc.
Cleveland, Ohio



Neat appearance of landscaping and apartment entrances broadcasts to tenants and owners the quality of your management services. And good maintenance means good management

Maintenance Makes That First Impression

is good maintenance:

- Is the building attractively painted?
- Does it look in good exterior repair?
- Are the hedges clipped?
- Is the grass cut and carefully trimmed around the flower beds?
- Are the sidewalks cracked and broken?
- Is automobile parking adequate?

If the exterior does not pass his inspection, he crosses the building off his list. If it does, he and his wife step inside and his eye quickly checks to see if:

The mail boxes are polished and in good condition.
The floor is clean and properly covered.
The hallways are well-lighted,
the walls are clean and nicely decorated.

The examination of the suite, you see, is last. Unless the inspection of the items, seen before this is reached, meet with the prospect's approval and make him feel that his suite will qualify as his home, he turns thumbs down before he sees the suite. The short-

age of living quarters has served to make anything rentable in any condition, but this fool's paradise has passed in most cities.

Maintenance still creates not only the first, but the lasting impression in case you wish to sell or borrow on the property. In either of these cases, the prospective lender or purchaser will not only inspect those parts of the building in which the tenant is especially interested, but, in addition, he wants to know:

Is the laundry modern?
Are the parapets and roof in good condition?
Is the boiler in good condition?
Are there building violations?
and many other things.

A building's internal condition is too often judged by external appearances. Just a short time ago we were trying to sell a store building. One prospect was very interested up to the time he saw the building. After he had made a careful inspection, we suggested that he make an offer. "No," he said, "I am afraid of that building. From the lack of outside maintenance I am afraid that such items as the boilers, the roof, the wiring and so forth have been neg-

lected. I do not want any building which has been milked." That was the end of the deal.

You may well ask, "What about office buildings, loft buildings and others? Is maintenance so important?" In all buildings good maintenance not only extends the normal life of the building for many years but the well-cared-for building will have the best tenants at the highest rates, will sell for the highest price and will support the most advantageous mortgage.

Looking into the future, I can see that the importance of maintenance will be greater than ever. The large skyscraper office buildings, apartments and super-markets of today will not be torn down in a few years to make room for the greater buildings of tomorrow. It won't pay to do so. The large modern buildings must be especially well maintained so that they will remain attractive and carry on their functions for 50 or more years in order that the investors in them can get a proper return.

Maintenance not only creates the first impression, but the lasting one and is the lifeblood which keeps a building in a robust state of economic health.

Can a Mortgage Discount Bank Work?

NAREB has been working intensively on a Central and Regional National Mortgage Associations plan for the past few months. At the end of the last session of Congress, Rep. Douglas R. Stringfellow (R., Utah) introduced H.R. 6614 to establish such a plan. Rep. Jesse Wolcott (R., Mich.), chairman of the House Banking and Currency Committee, in a recent speech promised careful consideration by Congress of the plan. But, as proponents push ahead, some leading realtors are voicing opposition, doubting the plan's workability. Mortgage bankers, working out a plan of their own, dislike the initial government participation of the plan and cite logical reasons why. In spite of dissident opinions, everyone is working toward similar goals — breaking the mortgage market bottleneck.

WHAT is NAREB's Central and Regional National Mortgage Associations plan? Is it a practical solution to the mortgage financing puzzle? Does it put the government too much into the lending business?

To sample current opinion, JOURNAL editors interviewed seven leading realtors and mortgage bankers. Opinion is pretty much divided as to the plan's workability. Henry G. Waltemade, New York realtor and Chairman of the Realtors' Washington Committee speaks strongly for it. "The plan would provide a constant source of funds to all sections, particularly in rural and remote areas where it is extremely difficult, and sometimes impossible, to obtain mortgage loans." He says the demand for mortgage money apparently has outgrown supply.

Other advantages Waltemade cites are: It will make residential mortgage credit readily available and help with credit for commercial and industrial construction. It will avoid undue fluctuations in the flow and supply of mortgage money, and will bring about an early liquidation of the Federal National Mortgage Association. It will make it easier for home seekers in all sections to obtain mortgage funds at a fair interest rate and enable persons with small savings to invest in real estate.

C. Armel Nutter, Philadelphia and Camden realtor and mortgage banker, cites these advantages for the program: "The plan's major advantage is to get the 4% VA mortgages off the market to relieve a depressing market condition which exists so long as this threat of a sale of 4% paper has to be liquidated and competing with the new 4½% paper." He points out that it will permit areas which do not have ready funds to pay a higher discount and get new construction. For example, he says, "possibly in the South and West loans would be purchased from the mortgage association at 96 and the builder would absorb whatever discount is necessary to market the loans, which would mean five points or better."

Realtors Maurice Read, Berkeley, California,

Floyd Dana, Chicago, and Oliver Walker, Washington, D. C., (also a mortgage banker) pretty much agree with Waltemade.

Is There Another Answer?

But Morgan Fitch, Chicago realtor, takes the entire plan to task believing that a private mortgage operation is the better answer.

"The whole plan," he says, "has been developed out of a mixture of imagery, wishful thinking, and misinformation. In general, I think the stated objectives are wholesome and I am convinced that for the most part the sponsors of the scheme are as sincere as they are impractical and unrealistic. Having said that on the credit side I am just about through.

"So far I have not talked to any one who has had actual experience in the real estate mortgage business who is willing to endorse the program, nor have I found anyone who understands how it could be made to work except by the use of a tremendous amount of funds furnished by the federal government. I had come to believe that the appropriation of federal funds to private use was looked upon with abhorrence by the great body of America's realtors.

"We have just passed through a period when frozen ceilings on interest rates for government guaranteed mortgages has curtailed the supply of funds for those mortgages. There really is no shortage of mortgage money for the rates are adequate to compete with other investments offered in the money market and the security is sufficient to obviate any substantial risk of loss of principal. It seems to me that this is proved by the rapid sale of mortgages in the open market by FNMA and by the free exchange of mortgages at discount prices. If money rates continue to weaken for another 60 days we will

For an explanation of how CNMA is proposed to be organized and operated, see last month's JOURNAL, pages 10, 14, and 16.

undoubtedly see 4½% guaranteed mortgages calling for a premium in the free market.

"I am totally unable to see where a great governmental operation could do anything that the present private mortgage operation cannot also do—cheaper, faster and better."

What About Federal Participation?

George Warnecke describes his position this way. "As we understand it, the government is expected to put up \$180 million of seed money to enable the mutual mortgage fund, if you might call it that, to accumulate sufficient mortgages and to act as a guarantee fund to investors who would buy bonds secured by the mortgage pool. This government money would be required to be kept in the operation until the bonds could be readily sold to the public."

Warnecke is opposed to such government participation. He says it is but a temporary crutch and can but lead to onerous governmental supervision and the bending of good business sense to political motives. "This bending," he says, "may take the form of influence in areas of investment, appraisals and personnel, and control of the regional mortgage associations.

"We believe any mutual mortgage fund of this type should stand on its own feet as a private investment. We feel that sufficient private money is available to finance such an undertaking. We further believe that the extent and caliber of that money and the position of the sponsoring group in the mortgage field would be such as to create a ready acceptance of the bonds issued against the mortgage pool."

To create such a private organization, Warnecke says, one of the obstacles is "is the onerous filing obligations presently existing with the SEC." But he believes that governmental supervision of such an undertaking is probably in order and sees no objection to such supervision if it is by a commission or bureau having a full understanding of the technical problems involved. Aside from this, he says, there are many checks and balances that such a private undertaking would have.

"The investing public," he says, "would not buy the bonds unless the sponsorship was of the highest character. Trustees on the various issues would make such checks as in their opinion would justify issuing of bonds against the mutual mortgage fund. Finally, independent appraisals justifying these mortgages would be made by accredited appraisers."

Warnecke says he is heartily in favor of public participation in mortgage financing. With the great expansion in that field of investment in recent years, demand for money in some areas and on some types of property has outstripped the institutional funds which are available. "Our only difference is in how to obtain that public participation. We believe the mortgage investment end of the real estate industry has the ability, personnel and standing in the financial markets to enable such public participation to take place through a private vehicle."

Waltemade sees no serious drawbacks to the plan. "NAREB has been discussing and promoting such a plan for about 20 years. And the first Hoover commission on federal reorganization recommended that Congress consider creating a system of national mortgage discount banks. This shows that financial experts in other fields, too, are aware of benefits such a plan could create," he says.

Dana believes there are no drawbacks to the plan as far as the real estate industry is concerned.

Read says his only concern is its workability as presently proposed.

Walker doesn't believe the plan is workable or practical. "If institutional investors want to invest in mortgages, then it is always easy to place mortgages. But when money is tight the association will have the same difficulty in selling their bonds as brokers do in placing loans direct. If the bonds are tax free or if the government furnishes the capital, then this objection will be overcome, but certainly neither the real estate or mortgage banking industry wants the government to take over their business. Areas having difficulties in placing mortgages are those where the rate of building has exceeded the supply of money, and the big reason institutions withdraw from those areas is that it overbalances their policy of geographical diversification."

Nutter says, as far as his industry is concerned, the plan depresses the market, and as the number of FNMA's available mortgages decreases, it gets down to less desirable loans. "And it puts the government practically in the direct-lending business, or encourages them to loan on some types for pioneering purposes or in areas where the normal lender would not go, which we think is bad."

Realtors Generally Enthusiastic

Waltemade, on the other hand, says realtors in general have been enthusiastic about the plan. "As of the present," he says, "10 conventions of state real estate associations have passed resolutions favoring the formation of CNMA. And NAREB's Board of Directors, at their meeting last May, approved the plan in principle.

"CNMA would be set up as a corporation with capital stock of \$1 million subscribed by the Treasury. Not more than 18 regional associations," Waltemade says, "would be chartered by CNMA, and each would have capital stock of not less than \$10 million. That portion of the capital stock not subscribed privately would be provided initially by the Treasury. Thus, if 18 regional associations were established, the maximum Treasury funds could total \$181 million. Actually private subscriptions should establish this total at a considerably lesser figure."

Answering the objection that the plan puts the government too much in the mortgage financing business, Waltemade says, "On the contrary, one of its main purposes is to retire the federal government from just such activity. The plan calls for the early liquidation of the Federal National Mortgage Association, which has become, in effect, a quasi-direct lending operation providing no assistance to the conventional market."

Dana agrees with Waltemade, saying that the plan eliminates FNMA, thus taking the government out of the mortgage financing field.

A big question in the minds of many who are dubious of the plan is: How long will it take to retire the Federal Treasury's participation in the plan?

Waltemade says it would take "just a few years."

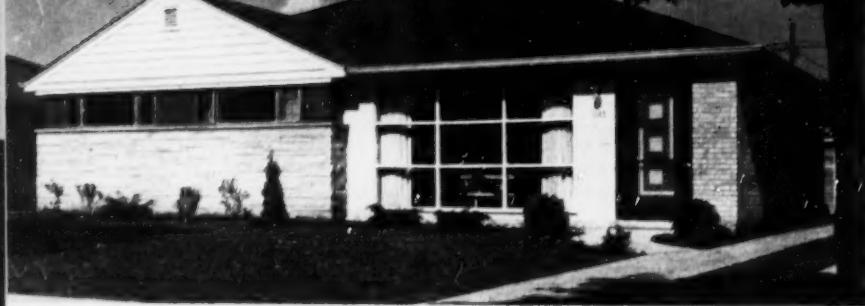
Dana: "A comparatively short time, possibly one to two years."

Walker: "It depends upon management, market conditions and tax features."

Nutter believes it would take at least 10 years, and if public demand for a handout became dominant or if we should have a depression or recession, it might put the CNMA plan out of existence.

Another big question: Who will buy the debentures offered for sale by the regional associations and

(Please turn to page 31)



HEDRICH-BLESSING PHOTO

Homes Our Readers Are Building

The brick and stone homes in Des Plaines Villas stand back of broad maple-lined sidewalks on spacious lots. Medium-priced, the homes have outstanding features

• IN ILLINOIS

Hot water radiant heating highlights luxury features of Des Plaines Villas homes

A COMPLETE community amid a suburban setting — is the slogan Nathan Manilow uses to advertise his homes in Des Plaines Villas, a development of 456 one-story, two and three bedroom homes located 30 minutes from Chicago's loop. The homes have exteriors of brick and a combination of either tanon or crab orchard stone. Built on concrete slabs, the houses stand back of broad, maple-lined sidewalks on spacious lots and provide an interesting harmony of traditional and modern lines.

An outstanding thing about the homes is the number of quality features. Selling from \$16,000 to \$19,500, they include features normally found in much higher priced homes.

"We proceed on the assumption that the prospective home buyer is looking for something more than a roof over his head," Manilow, president of Manilow Construction Company, says. "He wants comfort, convenience and quality."

Each home includes an all-purpose room that can serve as bedroom, playroom, den or study, and a disappearing stairway that leads to approximately 200 square feet of lighted attic storage space. They feature fully-equipped electrical kitchens, with Frigidaire refrigerator and range, Waste King garbage puluator and Youngstown Kitchen cabinets. Frigidaire washers and dryers are included. Bathrooms have colored Kentile walls and Kohler fixtures. Homes come with window screens and Caco steel sashes.

"Important to home comfort," Manilow says, "is a well-designed top-quality heating system."

All Villas homes have hot water, centrally-controlled systems. More than half the homes are heated with oil-fired, radiant-convector type baseboards, 214 with gas-fired radiant floor panels. Oil furnaces used are Mount Hawley and Burnham; gas furnaces are Bryant.

"Baseboards of the radiant-convector type were chosen for the homes with large picture windows," Manilow says, "because of the wide expanse of cold glass to be heated."

Baseboards placed under picture windows blanket the cold surface with a curtain of gently-rising air, warmed by the natural process of convection. Cold air along the floor enters the baseboard through an opening at the bottom and passes over a finned tube which circulates hot water from the boiler under thermostatic control. As the air is warmed, it emerges from an opening in the top of the baseboard and rises

slowly. Floors are kept warm by radiant rays emitted by the heating units at right angles and at ankle height.

In other homes heated with radiant floor panels, serpentine pipe coils for circulation of hot boiler water under thermostatic control are laid before the concrete slab is poured. The piping is so arranged that the floor of each room is heated by a concealed panel which becomes a giant radiator.

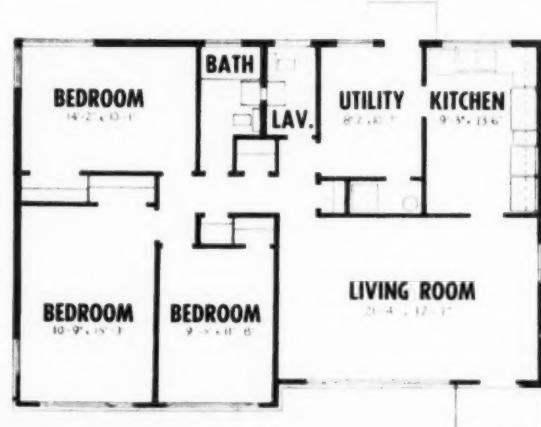
Radiant heat rays from the floor panel are sent out in all directions to warm every surface in the room, including the ceiling.

Zoning enables these heating systems to take account of the heat requirements of different areas of the homes, assuring economical operation without wasteful burning of fuel. Each zone has its own water circulation pump attached to the boiler in the utility closet, besides its own room thermostat.

In all homes, Fiberglas insulation is used at the foundation, a Sisalkraft blanket is placed between the sand fill and the reinforced foundation. Ceilings are insulated with Barrett and Ecco Rock Wool and Sheet Rock used is U.S. Gypsum.

As promotional tools at his seven demonstration houses, Manilow distributed attractive brochures. These emphasized convenience of the homes to churches, schools, shopping facilities and transportation, and listed nationally-advertised products used.

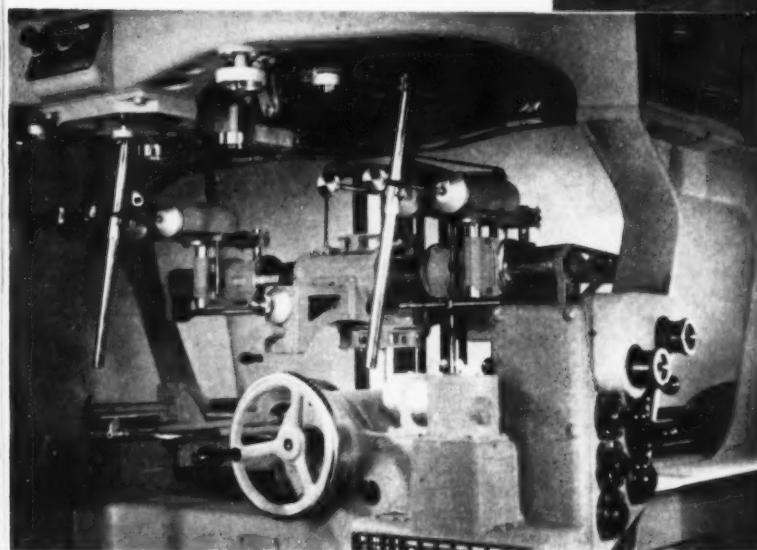
Classified advertising augmented large display advertising run in the Chicago Tribune.



The "surveyor" operates the Autograph while his assistant takes notes on the map being produced by an electrically-controlled pencil



A close-up of the Autograph, taken from the operator's side of the machine. Notice control wheel (lower center) and viewer (upper left)



NOW — SURVEYING IN 3-D

Accurate, time-saving surveying is now being done by a "surveyor" in a white coat who never has to leave his laboratory. His equipment — airplanes, cameras, and an amazing machine, the Autograph

A NEW technique has been perfected which may revolutionize surveying. It is so quick and accurate that an airplane could take pictures from several miles above your subdivision today, and tomorrow you could have a super-accurate contour map of the area. In a few hours, this method does what would take months to do on the ground. And it far surpasses previous aerial mapping techniques. The system is in use by the Army, the U.S. Geological Survey, and various aerial surveyors.

Here's how it works. Aerial cameras in high-flying aircraft take stereoscopic pictures of the terrain below. These precision photographs are shot straight down and they overlap each other like three-dimensional movies.

When these photographs are inserted in a projector known as an Autograph, the "laboratory surveyor" can view the scene in 3-D. He seems to be looking down from an airplane on the land below. When he has this scene in focus, he turns on a switch and a tiny white dot of light appears, floating in the 3-D image.

With two control wheels, the operator can move this dot anywhere across the picture, and he can move it up and down over the three-dimensional terrain with another wheel operated by his foot.

As he moves the dot, an electrically-controlled pencil on a drawing board at his right records the path of the dot over the contours of the land. He can trace the dot along the outline of a building, a fence line, a road, or the intricate path of a stream. The machine records them all in exact proportion. By moving the dot up the steep slope of a mountain to the top, or merely along a slight rise in the land, he can record the various altitudes. When he is finished, an accurate map has been made. A few twists of other knobs and he can produce the map in any size or scale he wishes.

Popular Mechanics magazine predicts that soon our entire nation will be mapped by the Autograph.

What's Wrong With Your Salesmen?

As the real estate market becomes tighter, it will take a top notch salesman to "bring home the bacon." How can a salesman improve his selling methods? What are his weaknesses? In one recent survey made among new home buyers, interviewees state that good real estate salesmen are hard to find

By ARTHUR KROEGER
Associate Professor of Marketing
Stanford University

THE real estate market is tightening up, and predictions are made freely that it will become more and more difficult to sell homes in the near future. With this in mind, real estate salesmen should be concerned about improving their selling methods.

In a recent study, families who had purchased homes within the past year were asked to rate the salesmen who had worked with them. Although the people in the sample studied were located in one geographical area (the San Francisco Peninsula), and no statistical validity can be claimed for the results, the survey brought out basic criticisms of real estate salespeople which any salesman might well study with benefit to his sales commissions.

The interviews all revolved around the selling of older homes, rather than newly-constructed homes. Since the sale of older homes is apt to become more significant in the years ahead, and because there is a declining market in most areas for older homes, this study is probably more important than a study of owners of newly-built homes.

First, what did these "customers" think of real estate salespeople as a group? Most of the interviewees were not favorably impressed. The majority rated them in general as only "fair" salesmen, (on a scale including "excellent," "very good," "good," "average," "fair," and "poor"). Many rated them "poor."

The chief criticism leveled was that the real estate salesman doesn't study his customer's wants and needs, and doesn't genuinely try to sell the client the house he should have. He thinks only of the immediate sale, not of making a satisfied customer. And yet, word-of-mouth advertising by satisfied clients is the

most effective, long-range aid in building a volume of sales.

The second major criticism voiced by the respondents was the salesman's inadequate "knowledge of his product." In many instances they claimed that about all the salesman knew about a house was the asking price, the number of rooms, and the probable amount of the loan that could be obtained on the house for financing purposes. Also, he usually had an opinion as to whether the asking price was a firm one, or whether the seller was "open to an offer."

What Buyers Want to Know

The average person looking at older houses wants much more information than that about the house he is considering. Here are some of the questions this group of interviewees was particularly interested in:

1) When was the house built? Seldom could the salesman furnish this information. To many people looking at the "post war" homes, this question was particularly important, because many said they would not buy a house built immediately after World War II. They "knew" the materials going into its construction were poor.

2) What contractor had built the house? Since people feel it is very difficult to judge the quality of construction of a house by inspection, they depend to a large extent upon the reputation of the contractor who built the house. According to this group, seldom,

if ever, could the salesman give the builder's name.

3) How many square feet of living area are there in the house? Most of these people wanted this information so they could estimate the cost per square foot and compare it with the cost of building a new house of comparable size. Here again, seldom did the salesman have the facts. Even worse, his offhand estimate of the number of square feet was invariably 5% to 10% too high, when checked by actual measurement.

4) *What are the dimensions of the rooms?* Buyers wanted to know this so they would know how well their rugs would fit the rooms and how their furniture would "arrange." Seldom could the salesman furnish this information, and never did he carry a tape measure. According to the interviewees, the salesman would "step off the room" to judge the dimensions, and would "come up" with an estimate that was from 5% to 10% in excess of actual dimensions. A number of the people said they carried their own tape measure with them, so they could get an accurate measure of the size of rooms.

5) *What is the actual size of the lot?* On the whole, salesmen didn't know.

6) *How much are the taxes?* Obviously, this is an item of interest to the prospective owner who is mentally calculating carrying costs of the house. Rarely could the salesmen furnish them the information.

7) *What do utilities average?* This also is important in calculating the cost of handling the purchase and carrying of the house. Although the people realized the utilities bills would vary with the habits and usage of the occupant, most of them felt that knowledge of previous average bills would give them a basis for estimating their expenses. Again, the salesman could not furnish the information.

8) *What is the age of the furnace, hot water heater, etc?* A number of those interviewed stated they wanted to know this to calculate probable future replacement costs. Most admitted they did not really expect the salesmen to have this information in all cases, but did think they might occasionally have been able to provide the date.

9) *In which school district is this house located?* To people with families, this was important because in the area studied, schools had vastly different reputations. And, since, in many cases, school districts were laid out in peculiar patterns, proximity to a school was no real criterion of being in that school district. In many instances, the salesman was unable to state for certain in which district the house was located or, even worse, in many cases he was inaccurate in his statement, virtually always in favor of the more desirable school.

10) *Where is the nearest church of _____ denomination?*, or, in the case of Catholics, in which parish is this house located? To some of the interviewees, this was an item of some significance. In the case of the Catholics, the parish location also determines the school which their children will attend. The salesmen could not furnish an accurate answer, and frequently guessed wrong when giving their opinion.

Although there were many other questions listed, these were volunteered most frequently. In almost every instance, the interviewees added a comment such as this: "If I had found a salesman who could have answered these questions for me, I would have concentrated my looking with him until I found the house I wanted to buy, and then have told my friends to buy from him!"

Stay in His Price Range

Another major criticism of salesmen was their tendency to show a prospect too many houses above his maximum price range, and then indicate he had no satisfactory houses in the specified price range. Admittedly salesmen in all fields are frequently trained to "trade up" their prospects. However, most of the interviewees felt that real estate salesmen went too far in this regard, with the result that the prospect lost faith in the sincerity of the salesman. In many instances, it so discouraged the prospect, that he temporarily dropped out of the market.

Along this same line, a number of the persons interviewed — particularly those who had bought fairly low-priced houses — stated that they found a number of "high-spot" salesmen who could not be bothered showing houses in the low-price range. When the prospect made it very evident he was not interested in houses in a higher price range, the salesman would "drop" him.

In almost every case where this happened, the interviewee made it very clear that he did no more business with that particular agent or any of his other salesmen. Further, he made a point to tell friends interested in buying homes not to work with the agent or any of his staff.

Mortgage Discount Bank

(Continued from page 27)

how much of a problem will it be to dispose of them?

Waltemade says the public would buy the debentures — similar bonds have had a ready market, and there is no reason to believe that these would not be just as popular.

Read says this is the "\$64 question" in his estimation.

Nutter says it will depend on the security behind the debentures — a question of whether it is purely private capital backing it, or whether it has a public quasi guarantee. "The other important factor," he says, "is the ratio used for issuing the debentures in relation to the assets used as security. In other words, whether or not it is sound to issue these on a basis of 20 to 1 or 40 to 1 becomes a major point and who will buy them will depend upon some of these factors. It's conceivable that it could be set up similar to the Federal Home Loan Bank, so that anyone could borrow only if they purchase stock or debentures. Thus mortgage companies, builders, and other investors would be proper sources for buying this stock or debentures."

Walker agrees somewhat with Nutter. He says the public would buy the regional association's debentures to a certain extent if the underwriting were sound, and they would especially buy them if the debentures were tax free. "The debentures," he says, "will require selling by experienced security dealers the same as public housing bonds, land bank bonds or private underwriting."

Put PUNCH In Your House Photos



Photographs of for-sale homes often give a client his first impression. How do yours measure up? Do they picture the exterior and interior to best advantage? Do they stress important detail and capture the home's atmosphere? Whether you shoot your own or hire a professional, these important pointers from a noted home photographer can add sales punch to your house photos

By ROBERT C. CLEVELAND

Much of this photograph's appeal would be lost without the play of shadow patterns caused by sun shining on the home through the trees. Early morning and late afternoon are best times to shoot exteriors



HOW appealing are your photographs of homes for sale? Are they just pictures, or do they perform an important selling and promotion job for your organization? In most cases it costs no more to photograph a home to best advantage than it does to take prosaic shots at unflattering angles or in poor light. It's all in knowing how.

Good exterior photographs first depend upon strong sunlight. This gives sparkle to the print, and lends interesting shadow and texture to the home. Without the added life which sunlight can give, the exterior of a house becomes dull and flat. This dead appearance is wrong; homes are alive and should be shown that way.

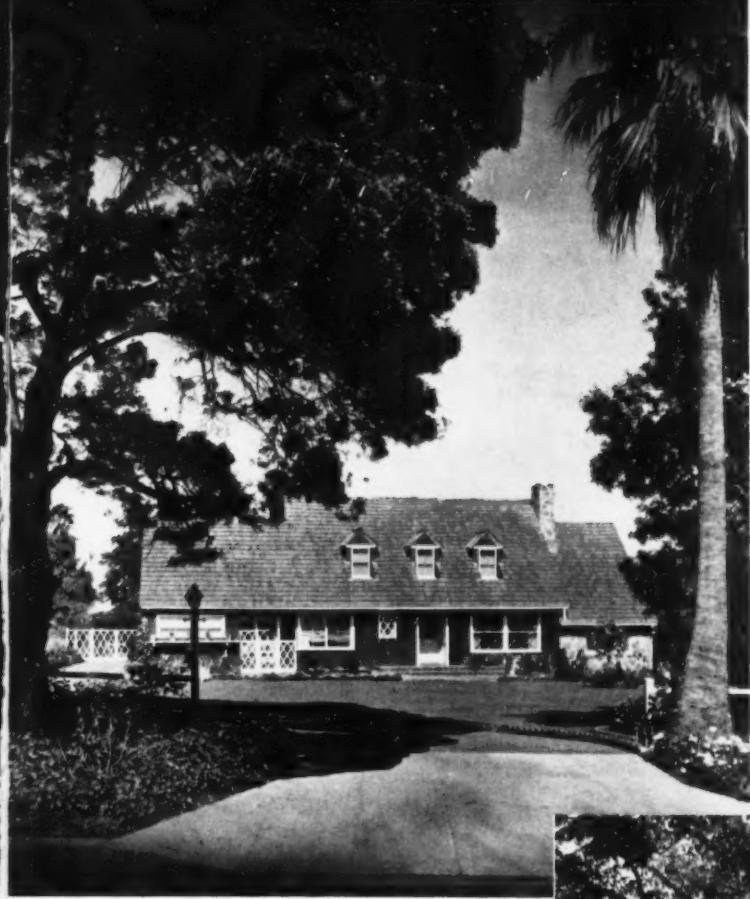
Choose the time of day for shooting when sunlight and shadow patterns are formed on the face of the building. Usually early morning or late afternoon are best.

Add depth and appeal to the over-all exterior view by including the home's natural setting. Frame the picture with native trees, if possible. In winter, even bare trees can be used. If there is abundant foliage, a green filter will help.

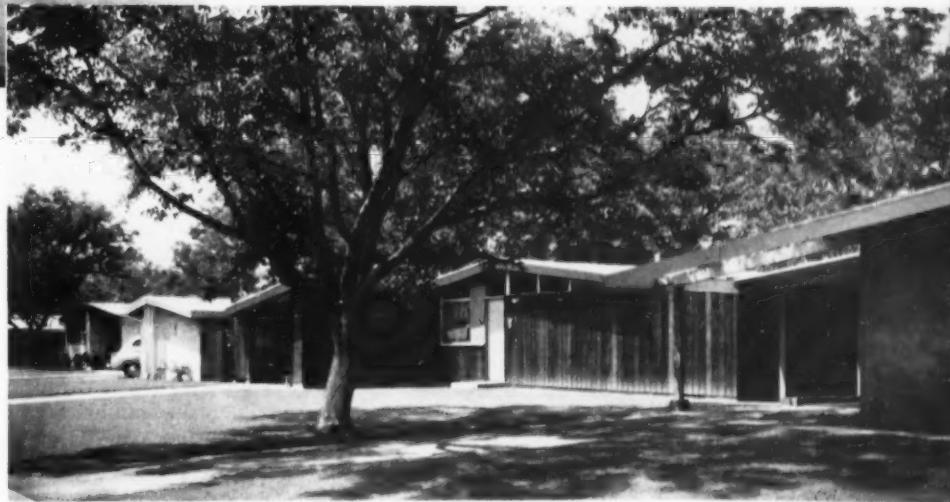
While the over-all exterior will be your most important view, don't overlook unusual architectural details — a breezeway, a balcony, a distinguished entryway or a sunny bay window. Close-ups emphasize these sales points.

Should you want to shoot an entire housing development, include street scenes in a horizontal view. The negative will probably include too much street or sky. Cropping the print to elongate it will concentrate the interest on the row of houses shown. After you make several

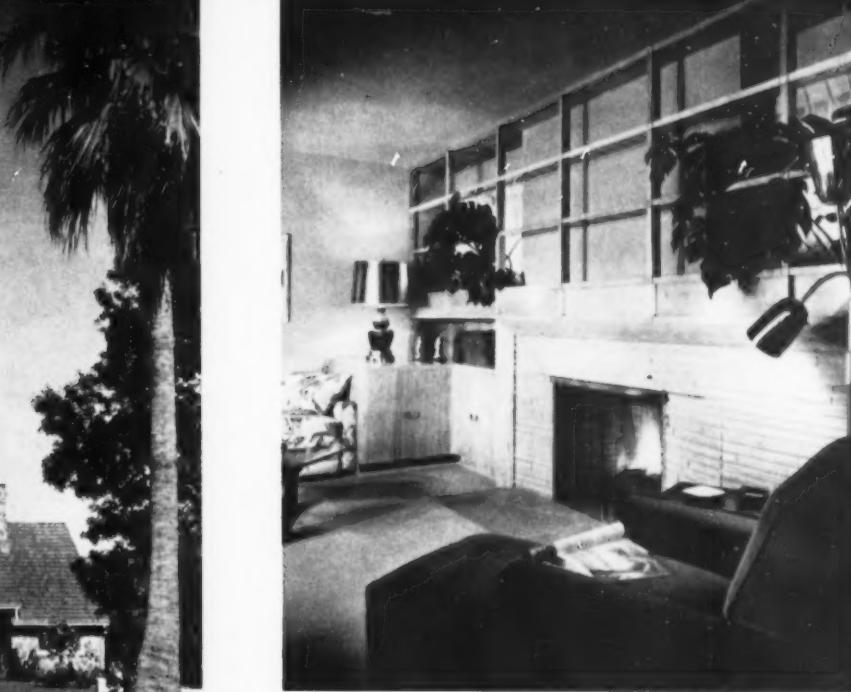
*This article is condensed from a new book, "Architectural Photography of Houses," by Robert C. Cleveland. Publisher: F. W. Dodge Corporation. Copyright 1953.



Landscaping and trees included in this over-all photo picture the home in its natural setting. Try to use planting to frame an exterior, to add depth, interest and continuity to the scene.



When photographing an entire housing project, include a portion of the street, then crop print to concentrate interest on the row of houses. After you make several general views, take close-up of one unit.



Emphasize details of a room with vertical views. Enough furniture is shown in this fireplace scene to give an idea of the rest of the room.



This interesting efficient kitchen has redwood cabinets with stainless steel counter tops. Flooring is waxed cork. Sliding plate glass is used over the sink area and for the cupboard, which opens on two sides. Electric stove and oven are built in.

The main, over-all shot of a living room is best shown in a horizontal view. This composition shows the relationship of two front rooms. Light from windows creates depth, artificial lights add contrast of brilliance.





The difference between photographing a house straight-on and taking it from a pleasing angle is obvious in these two pictures. The straight-on view greatly exaggerates the garage and cuts off part of the house, while the angle view shows the complete house in pleasing perspective.

general views of the tract, take a close-up of a single unit.

Photographing the inside of a home presents different problems. When shooting a room, for example, the photographer must decide where to place the camera and what to include in the angle of view to best capture its feeling, function and atmosphere. Composition is the first thing to consider in selecting the angle. To secure a pleasing composition, he must be governed by the architecture and decoration of the interior, and by the purpose of the over-all photograph. For instance, a shot which features a modern fireplace includes less than does an over-all view of the room. An attempt to show room relationship must reveal nature of adjacent rooms.

An angle shot is usually best for interiors. The straight-on shot is often dull, flat and uninteresting. Generally the photograph should not show more than two walls of a room. The moment the third wall is introduced, the room takes on a definite scale and the picture is given such a closed-in feeling that the imagination is left with little to work with.

The important features of the

architecture should be brought into proper perspective and the furnishings seen with as little distortion as possible. Backgrounds should be studied to minimize anything that might detract from the composition.

The most common mistake made in taking interior pictures is tilting the camera too high in relation to the size of the room. A room photographed from a high position looks unnatural, for the walls tend to be closed-in and the furniture squat. The low camera position produces the opposite effect. It adds spaciousness to the most unpretentious room. However, there is often a great deal of distortion. To be safe, choose a medium horizon — about 12 to 18 inches below eye level. This will give you the most natural perspective and least distortion.

Whatever the style of room, the main over-all view of it is best shown in a horizontal view. Use vertical positions to illustrate specific details within the room, or perhaps an unusual ceiling. If you make several views within the same room, choose an object for a basis of orientation and include it in each shot. This way, all four

walls of the room can be "tied together." This doesn't have to be the center of interest in a room, incidentally, but any object outstanding enough to catch the eye.

One more point — you may be tempted to include too much of a room in a single picture. It is best to select enough of the important features to tell the story and leave the rest to the imagination.

The kitchen is probably the biggest challenge of any room. Because of small quarters, it's often difficult to show the function of the working areas as well as the charm and design to best advantage. In the main view, strive to picture how the stove, refrigerator, sink area and cupboards are arranged for convenience.

When shooting an interior, plan both natural and artificial lighting to achieve as natural a feeling as possible; poor lighting can ruin an otherwise good photograph. Most interior photographs are best made during the day at a time when sunlight coming through windows forms definite patterns within the room that are pleasing to the overall composition. Rooms that appear closed-in are seldom pleasant.

The most common mistake in photographing an interior is to blast the room with light. All this illumination makes for a dull picture. Nothing is worse. Build up contrast — the feeling of depth and brilliance — by the strategic placing of lights, always keeping in mind that it's not the *amount* of light striking the scene but the *quality* which is important. Use spotlights to increase brilliance and to illuminate distant areas of the room, floodlights for over-all illumination, and small bulbs for filling in the shadow areas. Make each light serve a purpose.

Take close-ups of any unusual, distinguished details of an exterior which are lost in an over-all view. This shady breezeway, a strong selling point of the house, is emphasized in this photograph.



By GEORGE F. ANDERSON

IN filing a suit for divorce when the defendant owns real estate and when the decree may affect the real estate, it is advisable to describe the real estate specifically in the complaint. The decree will effect the real estate where it is given to the plaintiff as alimony, or when alimony is decreed to be a lien on the real estate. If the real estate is not specifically described in the complaint, the suit will not be considered as *lis pendens* insofar as the real estate is concerned.

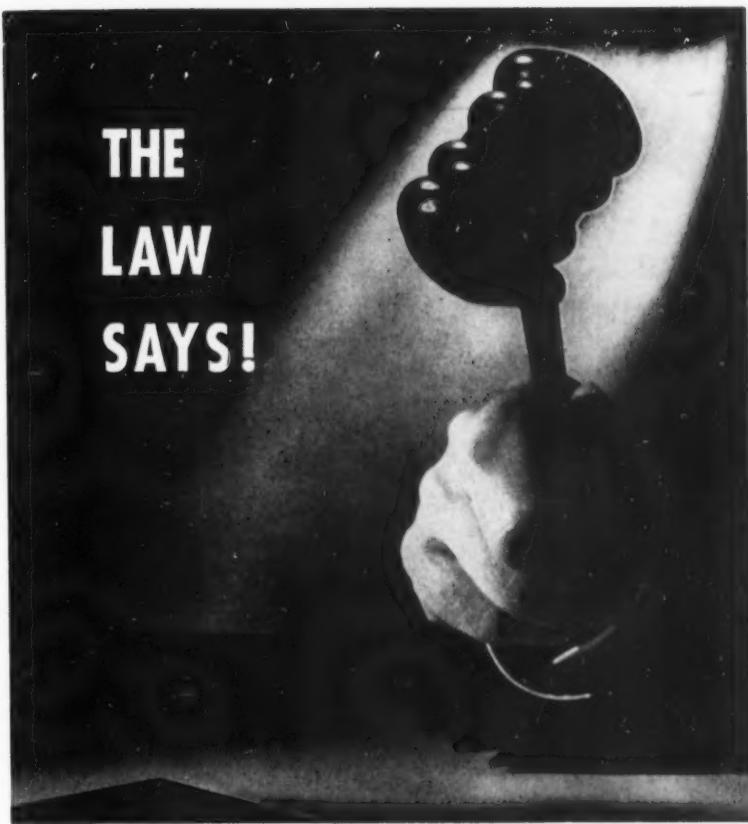
In the case of *Davidson vs. Dingelline*, 295 Ill. 367, the court said: "In applying the doctrine of *lis pendens* to divorce proceedings it has been said that 'where the plaintiff seeks to have adjudicated and enforced his or her equitable interest in real estate standing in the defendant's name, the proceeding is *pro tanto* to enforce such right, and insofar as his or her alleged right is enforced by the judgment or decree the doctrine of *lis pendens* applies.' This court has held that where property was specifically referred to in a bill for divorce and an injunction was granted restraining the defendant from interfering with it, this was sufficient notice to the world that they took any right in the property subject to the equities of the parties to the litigation. *Vanzant vs. Vanzant*, 23 Ill. 485."

A CLIENT came to a lawyer and he had a Guaranty Policy with him and said that he was making a loan of \$5,000, five years, 5%, and wanted the lawyer to make out the papers, and the borrower would come in to sign.

The lawyer, in making out the papers, noticed that they did not have the name of the grantor's wife, and he told his stenographer that she could fill that in when they came in to sign. A few weeks later the borrower and his wife came in and the papers were duly signed and acknowledged, and the lawyer ordered a later date.

When the Report of Title came through, it called attention to the fact that the wife did not appear as a grantor in the trust deed, and then it came back to him that they had forgotten to fill it in.

Legally it didn't make any difference because the statute does not require a spouse to be a grantor in order to release dower and



When should real estate be described in a divorce complaint? Must a wife be a grantor to release dower and homestead? Some legal forms in use for years contain serious errors. Better check yours

homestead, but it wasn't a nice job, and besides that, if the client noticed that the wife was not a grantor, it would be difficult to explain to the client that it was not necessary. The client would probably say, "I went to a lawyer because I thought he would do it right."

SOMETIMES a legal form is used generally for many years when suddenly a serious error is discovered in it.

For many years a form for a bill to foreclose was used that prayed that in default of payment the property be sold, or so much thereof as might be sufficient to realize the amount due the complainant, principal, interest and costs. The decree followed the prayer of the bill.

It was the case of *Hack vs. Snow*, 338 Ill. 28, that gave us a shock. It held that with such a prayer in the bill, and such a provision in

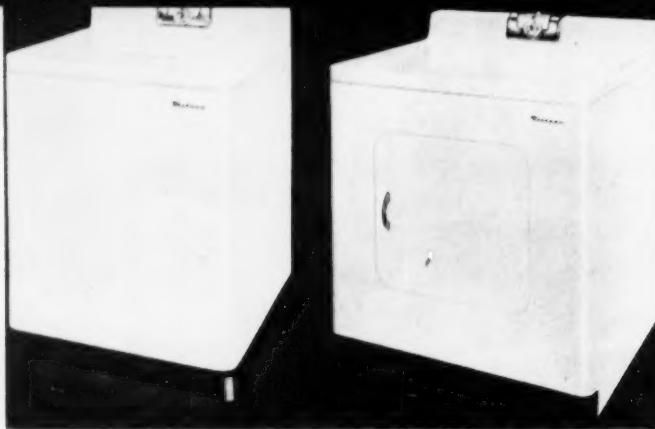
the decree, and a redemption by the owner, the sale was to satisfy the lien of the complainant *only*, leaving subsequent liens in full force and effect.

The complainant had been a Santa Claus and removed his lien for the benefit of subsequent liens. When I read this case maybe I didn't make a dash to look at my forms to see what they provided.

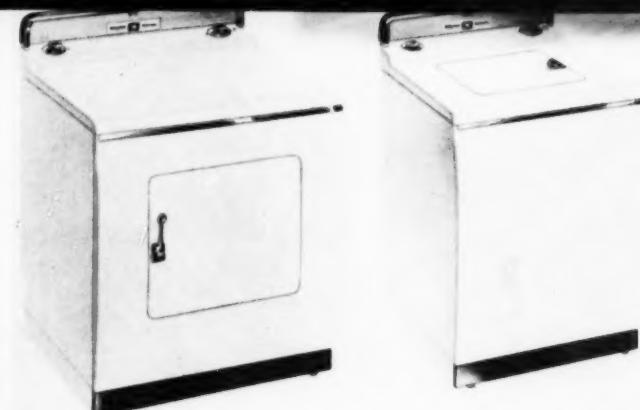
Fortunately, they were all right, but this was due to luck and not intellect.

The court said:

"It is claimed by defendant in error that the sale of land under a decree of foreclosure is a sale of every interest in the land belonging to any party to the suit and discharges the land from every lien of such party, and she cites authorities to that effect. This, of course, is true where the decree orders the payment of all the liens, the sale made, a certificate of purchase issued, no redemption made and deed issued.

**GENERAL ELECTRIC**

Washer WA-450 K., H 40; W 27; D 27
Dryer DA-420 K., H 40; W 31; D 26½

**HOTPOINT**

Washer LH-1, H 36 (plus 6-inch back panel) W 25-5/8; D 28-5/8
Dryer LD-4, H 36 (plus 6-inch back panel) W 31; D 28-5/16

New Laundry Appliances Add Property Appeal

Home prospects are looking for major conveniences. They are not satisfied with poorly planned space, out-of-date appliances. The new models of automatic washers and dryers help provide those conveniences with a multitude of new sales features. Here are models of 10 leading manufacturers which are best suited to add appeal to apartments you manage or for homes you build for sale

WHEN you select laundry equipment for rental apartments or homes you're building for sale, you should consider five points: 1) amount of space required, 2) ease of installation, 3) venting requirements, 4) maintenance cost, and 5) salable features. These are the same points manufacturers have considered in designing their new laundry appliances. As a result, they have come up with new convenience and efficiency features which can help sell your homes or rent your apartments.

JOURNAL editors have queried 10 leading manufacturers of automatic washers and dryers for a report on new models best-suited for built-for-sale

homes and apartments. Here is a summary of their salient features:

Aware of the limited space available in small basementless homes and apartments, most manufacturers now offer washers and dryers which economize on space — units which will fit into kitchens, bathrooms, garages or small utility rooms.

Most of these units can be installed flush against the wall, thus saving from three to seven inches. Many can have the pipes built into the walls, allowing a flush installation. Some dryers are vented through the outside wall. Other flush-installed dryers can be vented from the left, right, rear, bottom or front of the cabinet without special fittings.

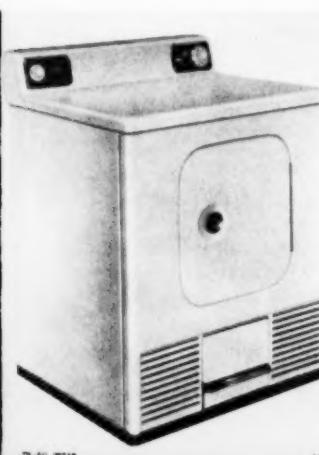
Still others are the new condensation type which require no venting. These simply plug into the wall. An electrically operated mechanism, kept cool by a continual flow of fresh air over it, filters out the moisture and lint. Some condensation types require a floor drain.

One manufacturer offers a smaller, more compact, low-priced washer and dryer especially designed for limited quarters. The dryer takes up only 24½x24¾x36 inches of floor space. The washer, including a five inch space between wall and unit, occupies 24x29¾ inches of floor space. The washer requires 15 gallons of water per cycle, as compared to the larger units which require from 25 to 43 gallons, yet it takes the standard eight pounds of dry clothing. The units are movable — do not have to be bolted down.

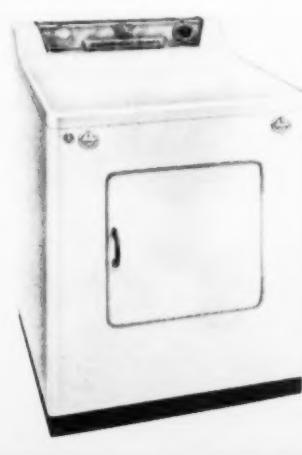
Another manufacturer offers an electrically-operated combination washer and dryer. Twenty-five operations are

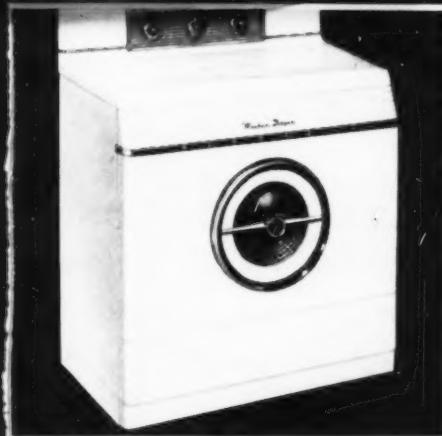
FRIGIDAIRE

Washer WO-65-2, H 37; W 25; D 26½
Dryer TR-60, H 36; W 30; D 26½

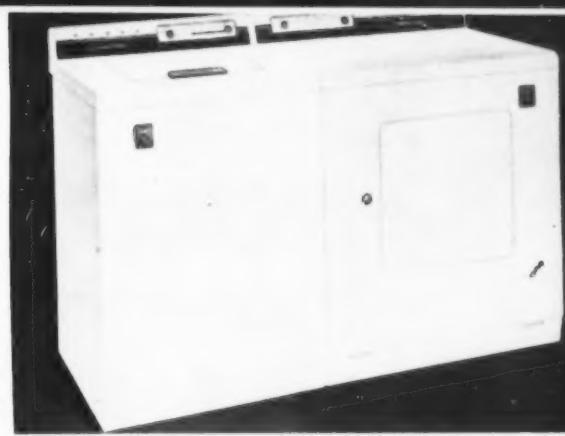
**THOR**

Washer Model 453, H 36; W 25; D 26½
Dryer Model 703G (Gas), H 36; W 30; D 26½



**BENDIX**

Duomatic combination washer and dryer.
H 45 $\frac{1}{4}$; W 36; D 28 $\frac{5}{16}$

**NORGE**

Washer Time-Line AW-450. H 36; W 25 $\frac{1}{2}$; D 26 $\frac{1}{4}$
Dryer Time-Line AE-620. H 36; W 31; D 26 $\frac{1}{4}$

included in one cabinet which measures 36 inches wide, 28 $\frac{5}{16}$ inches deep, and which can be installed flush against the wall. No venting is required. Drainage is pumped to stationary tubs, floor drain, or drain line. The pump is protected by a removable drain screen.

Probably the biggest improvement in the new units is added flexibility. Washers have improved controls which operate either automatically or manually allowing control of washing and spin drying time, and water temperature. Switches select either light, medium, or vigorous washing action. Because of this flexibility, delicate washable fabrics can now be laundered safely.

Some washers can be made to skip or repeat any cycle and stop or start at any time, allowing the housewife to add or remove garments. One unit provides for washing small loads in less water. Others include a soaking cycle. Some units have drop-down doors which weigh the correct maximum load size. One manufacturer has a dryer which plays "How Dry I Am" from a concealed music box when the drying cycle is completed.

Most dryers are equipped with adjustable temperature and time controls which temper heat to any fabric. The unit can be controlled so clothing is either damp-dry, ready for ironing or completely dry, and the dryer can be stopped at any time to put in more clothes or remove articles without de-

stroying the cycle.

Washing and drying units are styled to match and are sized to line up. Transmissions, motors and bearings are permanently lubricated, which means lower maintenance costs and fewer tenant or home buyer complaints. Because of improved engineering, units operate with minimum vibration.

Some manufacturers have answered the plea of women who dislike seeing usable suds water going down the drain after just one load of clothing. A built-in pump permits re-use of the suds water stored in the laundry trays, saving up to 50% on hot water and soap. This feature can lower your apartment water heating costs.

Most dryers now have safety thermostats which cause automatic shut-off of the heating system if the temperature exceeds safe levels.

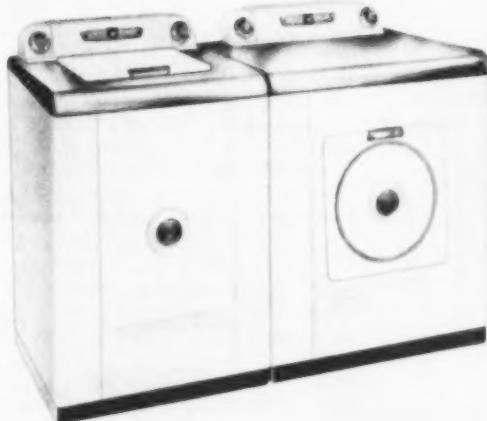
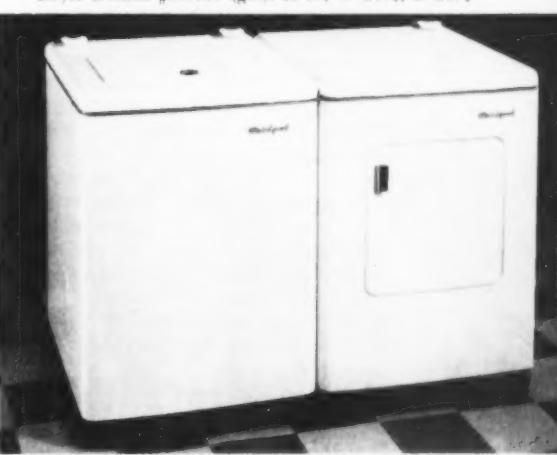
One dryer has what the manufacturer terms a fresh-air drying action which closely resembles outdoor breezes. The dryer pulls in outside fresh air which is warmed and circulated over the clothing.

Another offers a dryer which can be operated on a 115-volt circuit if 230-volt service is not available.

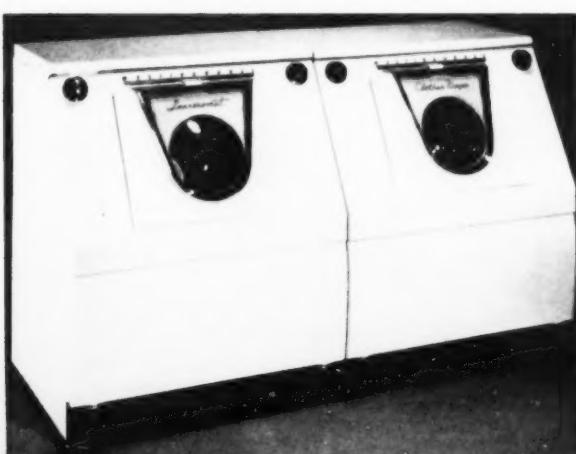
Other dryers are equipped with an ozone lamp which leaves garments smelling fresher. One such unit also has an oversized blower which permits a lower drying temperature (140) degrees.

WHIRLPOOL

Washer Deluxe #531530. H 36; W 24 $\frac{1}{2}$; D 24 $\frac{1}{4}$
Dryer Deluxe #531760 (gas). H 36; W 24 $\frac{1}{4}$; D 24 $\frac{1}{4}$

**SPEEDQUEEN**

Washer A-10. H 40 $\frac{1}{2}$; W 25 $\frac{1}{2}$; D 26
Dryer DE-6. H 40 $\frac{1}{2}$; W 30 $\frac{1}{2}$; D 26

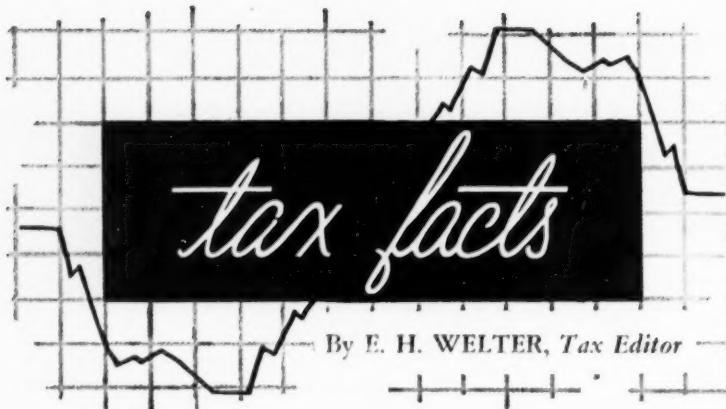
**WESTINGHOUSE**

Washer LB-6. H 36 $\frac{1}{2}$; W 31; D 27 $\frac{1}{4}$
Dryer D-6. H 36 $\frac{1}{2}$; W 31; D 27 $\frac{7}{16}$

MAYTAG

Washer Model AMP. H 36; W 25 $\frac{1}{4}$; D 26 $\frac{1}{2}$
Dryer Model 60-W. H 26; W 31 $\frac{1}{2}$; D 26 $\frac{1}{2}$





By E. H. WELTER, *Tax Editor*

TAX SAVINGS ARE POSSIBLE in wisely arranging the first accounting period of a new partnership or corporation. You may elect to use a calendar year or a fiscal year. Payments may also be deferred to the financial advantage of the new organization by proper choice of the first date to file a tax return on either of the two types of organizations.

CHARITABLE CONTRIBUTIONS BY A CORPORATION have always been permitted as deductions for income tax purposes within certain limitations provided by the Internal Revenue Code. It seems, however, that such contributions may be considered as Ultra Vires acts by the local statutes of some states. A recent decision in the New Jersey courts (A. P. Smith Manufacturing Company v. Barlow — Superior Court of N.J., Chancery Division Essex County, Docket No. C-1274-51, May 19, 1953) has upheld the implied powers of a corporation to make donations to projects beneficial to public welfare.

STOCK DIVIDEND IS TAXABLE even though the only thing that has occurred is a rearrangement of the proportionate interests of stock ownership. The Wolverine Corporation purchased from Mrs. Green 1,486 shares of its capital stock. Schmitt and Lehren, officers of the corporation, had previously contracted to purchase the stock from Mrs. Green, but the agreement was not carried out. After buying 18 shares owned by two employees the 1,486 shares of treasury stock was distributed to Schmitt and Lehren as stock dividends. Twenty-five shares of stock were then sold to the two employees. The tax court (Joseph P.

Schmitt, 20 T.C. 44) concluded that the shares were purchased from Mrs. Green, out of corporate funds, not for the purpose of retiring them but to transfer them to the two stockholders, Schmitt and Lehren. The purchase and later resale to the two employees was to prevent them from participating in the distribution of stock dividends. It is apparent that the disproportionate distribution of the stock had some bearing on the conclusion reached by the court. If the stock had been retired after purchase it would have changed materially the interests of the two employee stockholders, but it would have eliminated the taxation of income which resulted.

EMPLOYERS CAN HELP THEIR EMPLOYEES MINIMIZE TAX WORRIES OVER EXPENSE ACCOUNTS. Commission salesmen or administrative employees who incur expenses in connection with their employment, such as entertainment, travel, use of personal automobile, can better establish for tax purposes that they are expected to take care of such expenses and that allowances have been made in their commissions or salaries, if their employer provides some form of proof in the form of an employment contract or letter. The employee may be reimbursed on a by-the-day basis plus travel and entertainment.

Reimbursement can be made by the employer for all expense incurred by an employee on behalf of his company. Expenses of sales meetings and entertainment of customers at clubs can be paid direct by the company. The traveling man who pays his own expenses can make the job less burdensome if he will use credit cards

for automobile expense and hotel bills. He should have them paid by his employer and charged to his drawing account.

REPLACEMENT OF PROPERTY DESTROYED OR CONDEMNED.

When a piece of property costing \$100,000 and insured for \$200,000 is destroyed but replaced within a certain time-limit, no gain is realized, if the replacement cost is \$200,000 and the regulations are complied with. However, the Treasury says that if the taxpayer dies before replacement, this benefit is lost, because the same taxpayer must carry out the replacement operation. The Tax Court upheld this decision, (17 TC 1017), but the Third Circuit reversed, (CA-3, 11/26/52). Their contention was that the intent of the law was to provide the tax benefit for reinvestment, and so long as the replacement is made by someone acting for the taxpayer, the gain is not taxable. An executor could, therefore, carry out the operation and avoid tax on the gain. (There is, however, some question about the basis in the hands of the estate. Normally it would be the fair market value and should be so considered to prevent controversy.)

ANTICIPATED EXPENSES charged to income and set up as a reserve account until definite amounts are known and payable, are not allowable deductions for tax purposes. (Emporium Water Company v Comm., TC Memo). Only fixed obligations can be accrued and deducted, says the tax court.

INSURANCE RENEWAL COMMISSIONS. Refer JAMES F. OATES v. Commissioner. The Tax Court decided, (18 TC 570), a retiring general insurance agent was allowed to receive his renewals in equal installments. He is taxed only on installments received and not on the commissions when actually earned. The Commissioner, however, has notified taxpayers that revenue agents will not follow the Tax Court's decision on this ruling.

REPAIRS vs. CAPITAL EXPENDITURES. Cost of installing a new floor, plus the cost of removing and reinstalling bins and fixtures, is capital expenditures, says the tax court. (Phillips and Easton Supply Company v. Comm.)

Product Progress

Warm or Cool

Ceiling diffusers for all-year residential conditioning are now being produced by the Connor Engineering Corp. of Danbury, Conn. These diffusers, the manufacturer says, are equally effective for both heating and air conditioning. The diffuser consists of an outer and inner cone or deflector. The outer deflector is designed to divert the air away from the adjacent ceiling area and thus prevent smudging. A conical light recessed into the unit has been developed, and it is said that this makes the unit no more conspicuous than a light fixture.

Kitchen Contents

Two new booklets are now available on kitchen and laundry planning. The Westinghouse Corporation of Pittsburgh, Pa. announces publication of "Kitchen and Laundry Design Ideas," which contains a summary of principles to follow in kitchen-laundry layout. It also contains plans and photos of well-planned kitchen-laundry work areas. "Kitchens that Sing," a booklet published by the Kitchen Maid Corporation of Andrews, Indiana, contains pictures and plans featuring the use of wood in modern kitchens.

Picture This

The Wilson Projector Company of Cleveland, Ohio has developed a new automatic show-card and transparency changer for use in windows. This unit handles from two to 20, 11 by 14 inch cards or photos, or up to 12 transparencies. Cards are automatically changed to expose a different one every 15 seconds. The changer is 33 inches high, 20 inches wide, 16 inches deep and operates on a 115 volt, 60 cycle alternating current.

Tile File

The Tylac Company of Monticello, Illinois announces a new prefinished wall panel to be added to the Tylac line. Called "Tylatone," it has a faint white marbled pattern and is furnished in four colors: green, gray, yellow and blue. It has a baked enamel finish which, the manufacturers say, can be wiped clean with a damp cloth. It is claimed that Tylatone will not crack, craze or peel and the color and pattern will not rub off even under excessive wear.

Fearless Fiberglas

Designed for skylights, sidelights, partitions, shower doors, signs, patios, and awnings, Alsynite #200-FR translucent fiberglas panels, is claimed to be fire-resistant. It is available in standard corrugations and flat sheets, and in three colors: maize, light green and opal.

Bric' A Brac

A new brick veneering product using a granulated brick aggregate for permanent color is announced by American Cement Products Company of Detroit, Michigan. Called "Quikbrik," the manufacturer says

the product is suitable for veneering any building new or old. Quikbrik is sold through licensed local contractors and applied only by specially trained crews.

Seal Appeal

Cindrseal, a new oil base masonry paint for giving interior and exterior surfaces moisture protection, is announced by the Ohio Paint and Color Company of Cleveland, Ohio. A fine grit keeps the mixture in uniform suspension to prevent caking or settling out, and helps to fill in pits, pores and fine cracks in rough masonry. Cindrseal may be sprayed, but it is furnished in consistency for immediate brush application.

Lend An Ear

Billed as "the machine that talks at sight of a human being," a new "Message Repeater" is produced by Michigan Electronics, Inc. of Chicago, Illinois. This machine, a tape recorder about the size of a box-camera, is reported to deliver a message automatically when a human being walks by it. It is designed for use in model homes.

Patchwork

Spako-Patch, the new spachting compound offered by Tamms Industries, Inc., Chicago, comes in ready-mixed paste form. Finely ground to a smooth consistency with a latex base, it is claimed to be exceptionally easy to handle. The manufacturers emphasize that it may be used on plaster, wood, brick concrete and any clean, dry interior surface. No primer coat is needed before painting over it.

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Open Forum For Your Legal Problems

GEORGE F. ANDERSON, *Moderator*

DEAR MR. ANDERSON:

We seldom work on open listings. However, it has always been our contention that the broker who gets the check and gets the acceptance of his deal from the seller is the one who deserves the commission regardless of how many times the property has been called to the buyer's attention by other realtors.

Your item would tend to cause a lot of trouble between brokers in many cases where an open listing had been brought to the attention of the buyer by more than one broker.

My opinion is that only the selling broker has any claim on the commission, and that any broker who called the buyer's attention to the property but failed to get the check can blame only himself.

He has failed to present the property properly or failed to follow up his customer. Therefore he deserves nothing. Instead of trying to prove that some contribution

made by him should get him part of a commission he should take stock of his own sales methods and learn to follow up and close.

Earl V. Back
Los Angeles, California

Several brokers from California have written to me that according to the law of their State it is the broker who gets the contract signed who is entitled to the commission. I think this is an unjust rule and that the broker who is the procuring cause of the sale is entitled to the commission.

This may cause controversy, but controversy is better than injustice. No matter how alert you are, there are always buyers who will sign up with the last broker they talk with although you are the one who has done the work and has the skill.

A broker took a buyer for a furnished rooming house with a three year lease to buy. But the broker

couldn't complete the transaction because he didn't have the figures or exact particulars. So the deal fell through. The same buyer has come to my office and wants to buy the same furnished rooming house, as I'll have the correct particulars. Now is it ethical and legal for me to sell this buyer?

Charles Schellig
Bronx, New York

This depends upon whether or not the first broker had "abandoned" the deal. If he had the prospect in mind, and hoped to approach him again, not too long a time elapsed, the owner would be liable to him, and probably also to you for commission. To prove whether or not a broker has abandoned a deal is difficult. It would depend largely on the testimony of the buyer. If he testified that after showing him the property he did not hear further from the broker it would probably be an abandonment.

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Says Howard E. Sproat of Brookfield, Illinois

Howard E. Sproat established his real estate and construction business in 1945 following six years air force service as a Lieutenant Colonel. He is secretary of the Brookfield (Illinois) Chamber of Commerce, a member of the National Association of Real Estate Boards, the National Association of Home Builders, and the National Institute of Real Estate Brokers. He is active in local associations and civic organizations. His firm is currently constructing 89 ultra modern homes in Hinsdale, a suburb of Chicago.



"Our **PERFECT HOME** Magazine performs a service for key influential families in our community and we receive many favorable comments on it," says Realtor Howard E. Sproat of Brookfield, Illinois. "The name **PERFECT HOME** is well chosen. It is perfect for a home owner and I feel that the magazine is of tremendous, incalculable value to us."

Mr. Sproat, along with other executives of leading real estate, home building, and home financing organizations, realizes that goodwill must be developed carefully and continuously. Families usually buy but one or two homes in a lifetime, and they want to be sure that the firm with which they deal merits and enjoys the highest public confidence. This background-selling, this confidence-building phase of operating a real estate office is vital to success.

PERFECT HOME helps to perform this task. It makes friends — builds prestige and goodwill among the opinion-making factors in a community.

Through the **PERFECT HOME** plan, the cost of sponsoring and co-sponsoring this program is nominal. Editorial preparation, art, and engraving costs are shared among its users throughout the United States and Canada. Local reproduction and mailing costs are spread among the selected, reliable building factors who are invited into the program and who gain in prestige and goodwill from its use.

A limited number of exclusive, annual renewable franchises are available to real estate, home building, home financing organizations of unimpeachable reputation. If you are interested, address inquiry to



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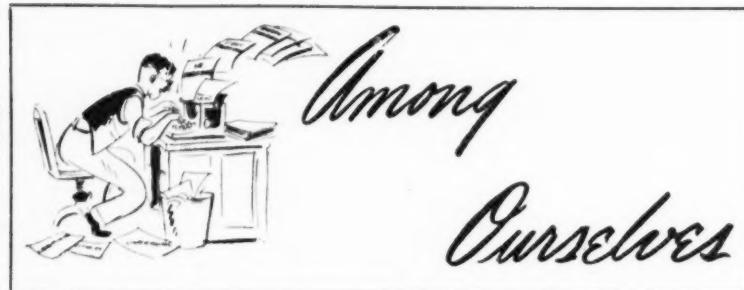
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Much has been said in recent months about raising the standards of the real estate and home building industry — that is, putting our services more on a professional plane. Present market conditions add fuel to this fire. How well we satisfy our customers, raise our ethical standards and make an effort to build confidence in the community will do much to determine our long range success.

New Jersey is one of the states which have taken legal strides in raising professional standards. Edward C. Holmes of Summit, vice president and legislative chairman of the state association, tells us about two amendments enacted by the 1953 state legislature which set up educational requirements that rival those in some other professions.

No one in New Jersey can become a licensed broker unless he has had a complete high school education or the equivalent, the equivalent being intensive courses in real estate such as those offered in various New Jersey colleges. The apprenticeship period for salesmen has been increased from one to two years of full-time service, with a well-rounded record of accomplishment required.

Realtor-Builders Wallace Johnson and Kemmons Wilson of Memphis are going to provide some real competition for the nation's hotels. They plan to erect a chain of luxury motels across the country, and they have already teamed up for this purpose. To be called "Holiday Inns," the motels would be built locally, and Wilson and Johnson would grant franchises for each motel. Within the next five years, number of rooms in the chain is supposed to total 100,000. Already 181 franchises have been cleared in 77 cities. The Holiday Inns will provide plush hotel comfort at 15 to 20% lower rates, Wilson says.

You may not be getting your true percentage in your percentage leases, according to Leonard S. Lowell, director of the Dale System, Inc., New York. He says "dishonest tenants are robbing owners of millions of dollars in rentals" and has published a booklet on the subject. Of course, Lowell has a personal interest in such activities because his company specializes in uncovering dishonest sales reports.

A glance at the U. S. Census figures shows where the drive for home ownership has been most successful . . . at least on a percentage basis. Michigan tops the list with 67.5% of its homes owner-occupied. Minnesota has 66.4%; Kansas, 63.9%. Missouri has 57.7%; Illinois, 50.1%. New York state is lowest with only 37.9%, but with its huge population this means 1.64 million persons own their homes in New York.

O. T. Peterson who is Executive Secretary of San Francisco's Multiple Listing Service has a word for the calamity howlers predicting "bust." Peterson predicts that the San Francisco service will end the year with the largest sales of any such service in the country. Total dollar volume through August approximated \$41,000,000, with 85% of the sales involving private homes at an average of \$15,000 each.

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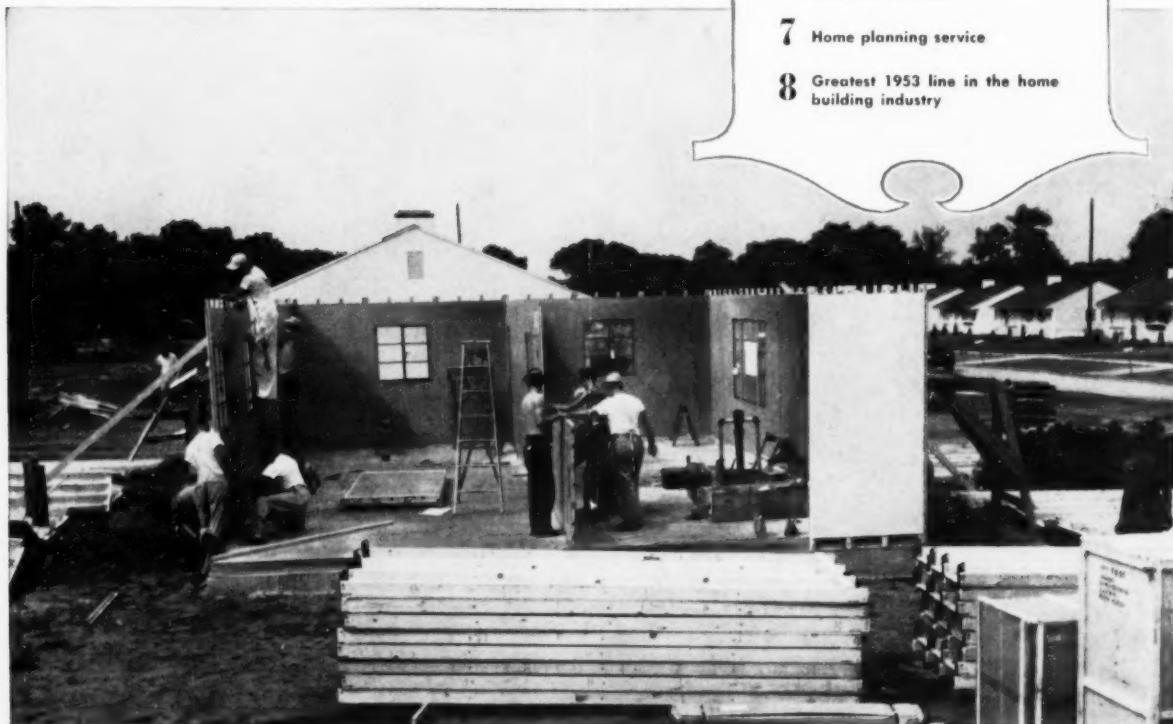
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